



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 07-Jun-2022 | Report No: PIDA33847

**BASIC INFORMATION****A. Basic Project Data**

Country Rwanda	Project ID P176707	Project Name Additional Financing for the Energy Access and Quality Improvement Project	Parent Project ID (if any) P172594
Parent Project Name Rwanda - Energy Access and Quality Improvement Project	Region Eastern and Southern Africa	Estimated Appraisal Date 11-Apr-2022	Estimated Board Date 20-Jun-2022
Practice Area (Lead) Energy & Extractives	Financing Instrument Investment Project Financing	Borrower(s) Republic of Rwanda	Implementing Agency Development Bank of Rwanda, Energy Development Corporation Limited

## Proposed Development Objective(s) Parent

Improve access to modern energy for households, enterprises, and public institutions and enhance the efficiency of electricity services in the Republic of Rwanda.

## Components

Increasing Access to Grid Electricity  
 Enhancing the Efficiency of Electricity Service  
 Increasing Access to Off-Grid Electricity and Clean Cooking Solutions  
 Technical Assistance, Institutional Capacity Building and Implementation Support

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	14.36
<b>Total Financing</b>	14.36
<b>of which IBRD/IDA</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS**



**Non-World Bank Group Financing**

Trust Funds	14.36
Carbon Initiative for Development	10.81
Energy Sector Management Assistance Program	3.55

Environmental and Social Risk Classification  
Substantial

Other Decision (as needed)

**B. Introduction and Context**

Country Context

- Rwanda is one of the fastest growing countries in Sub-Saharan Africa but remains one of the poorest countries in the world with significant infrastructure investments needed for its socio-economic development.** Rwanda’s annual gross domestic product (GDP) growth has averaged 7.2 percent in the last decade. This growth momentum was curtailed by the COVID-19 outbreak as the government imposed a nationwide lockdown and travel restrictions in response to the spread of coronavirus coupled with the negative spillover effects of distributions in the international supply chains that impacted the Rwanda’s broader economy. As a result, private consumption, which accounts for 70 percent of the output growth between 2018 and 2019, sharply dropped by 5 percent in 2020. GDP contracted by 3.4 percent in 2020, compared to the pre-pandemic projection of 8 percent. Rwanda’s risk of external debt distress was downgraded from low to moderate as a result of the COVID-19 pandemic (Debt Sustainability Analysis of June 2020)<sup>1</sup>. Public and publicly guaranteed debts increased from 57 percent of GDP in 2019 to 71 percent in 2020. The economy sharply bounced back in 2021, growing by about 11 percent. Gradually easing mobility restrictions have supported a broad-based rebound, stimulating private consumption, by increasing incomes amid the reopening of economic activities, and falling inflation. Household consumption made a significant contribution to growth, thanks to government transfers rolled out to households affected by the pandemic. Government investment spending contributed significantly, accounting for one-third of GDP growth.
- Poverty has declined substantially in the past two decades but remains high in rural areas, where access to public services such as electricity is still low.** Between 2001 and 2017 poverty as measured by the international poverty line fell from 77.2 to 55.5 percent, and poverty measured by the national poverty line fell from 58.9 to 38.2 percent, according to the latest Integrated Household Living Conditions Survey (the fifth *Enquête Intégrale sur les Conditions de Vie*, EICV5). Poverty has also become less severe, with a shrinking gap between average consumption of the poor and the poverty line. However, despite Rwanda’s good record in poverty reduction, the most recent household survey showed that poverty reduction stagnated between 2014 and 2017 because of droughts, a slowing in structural transformation and rural to urban transition, and a weakening of the job-creating

<sup>1</sup> <https://www.imf.org/en/Publications/CR/Issues/2020/06/18/Rwanda-Request-for-Disbursement-Under-the-Rapid-Credit-Facility-Press-Release-Staff-Report-49523>



potential of Rwanda's recent growth. More than 90 percent of the poor in Rwanda live in rural areas, especially in the Southern, Western, and Eastern provinces. There is a high coincidence of poverty and the lack of access to public services including electricity, even as electricity access doubled for rural households between 2013/14 and 2016/17, from 9 percent to 15 percent, but remains a challenge considering Rwanda's development ambitions.

### Sectoral and Institutional Context

3. **Rwanda has drastically turned around its energy sector indicators over the last decade.** Electrification of its population grew at one of the fastest rates in the world, with access to electricity rising from 6 percent in 2008 to 65 percent as of June 30, 2021.<sup>2</sup> Grid access stood at 47 percent while off-grid access, which has progressed at a slower pace than grid access, was at 18 percent. Rwanda's power generation installed capacity tripled from 76 MW in 2010 to 238.4 MW by June 30, 2021. The share of oil-fueled power in Rwanda's power generation mix has declined from about 45 percent in 2013 to less than 25 percent in 2020 having been replaced by hydropower, lake methane-based power, and to a smaller extent by solar power and peat-fueled power. As a result, the greenhouse gases (GHG) intensity of power generation, which is largely driven by the share of oil in the fuel mix in Rwanda, has declined from about 329 gCO<sub>2</sub> per kWh in 2013 to 94 gCO<sub>2</sub> per kWh in 2020. Rwanda has also managed to attract direct investment of over 17 IPPs, and the capacity expansion over the past decade has been largely financed by the private sector. As of 2020, over 52 percent of capacity is under private ownership, one of the highest shares in Sub-Saharan Africa. System losses have also resumed their declining trajectory, after a period of increase because of the rapid expansion of low-voltage (LV) and medium-voltage (MV) lines (which are associated with higher losses) under the electrification program, and in 2018 dipped below 20 percent for the first time since 2010. Progress toward the cleaner cooking solutions has been slower, with nearly 80 percent of households using firewood and more than 50 percent of households using three-stone fire for cooking.<sup>3</sup>

4. **Rwanda continues to be committed to achieving its ambitious agenda for the energy sector defined in the National Strategy for Transformation (NST1) for the period 2017/18-2023/24.** The strategy aims to: (a) achieve universal access by 2024 through a combination of on-grid (70 percent) and off-grid (30 percent)<sup>4</sup>, (b) reduce the cost of electricity supply, (c) improve the quality and reliability of electricity services, and (iv) reduce the number of households using traditional cooking fuels from 79.9 percent in 2016/17 to 66.6 percent by 2020/21 and 42 percent by 2024; by replacing wood and charcoal with clean cooking options. The Government of Rwanda (GoR) has prioritized the energy sector during the COVID-19 pandemic and increased its investments in the energy projects to expand energy access to households, businesses and public institutions. There have been no changes in the institutional settings in Rwanda and sectoral and institutional contexts remain the same since the appraisal of the parent project was conducted. The proposed additional (AF) financing continues to support GoR's priorities and efforts to achieve universal electrification.

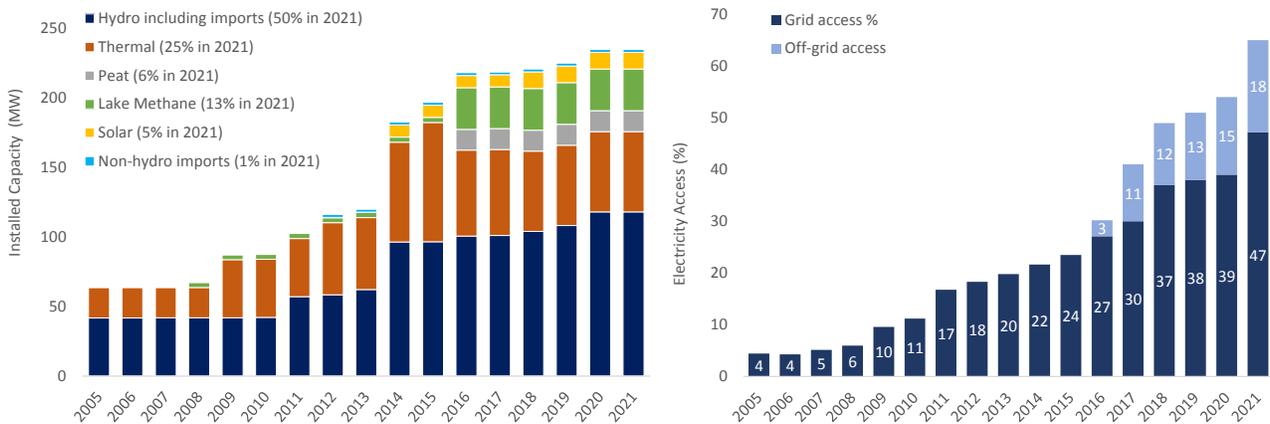
<sup>2</sup> Rwanda's progress in electrification during 2010–2016 ranked 11th globally and 3rd in Africa.

<sup>3</sup> Fifth Integrated Household Living Condition Survey (EICV5), 2016/17.

<sup>4</sup> The target has been updated in line with the National Electrification Plan (Updated in February 2022)



Figure 1: Expansion of installed generation capacity and electricity access in Rwanda (2005-2021)



Source: Rwanda Energy Group (REG); Ministry of Infrastructure (MININFRA) 2019

C. Proposed Development Objective(s)

Original PDO

5. The Project Development Objectives (PDO) of Energy Access and Quality Improvement Project (EAQIP) is to improve access to modern energy for households, enterprises, and public institutions and enhance the efficiency of electricity services in the Republic of Rwanda.

Current PDO

6. There are no changes in the PDO as the activities supported by the proposed AF are consistent with the PDO of EAQIP.

Key Results

7. The parent project’s results framework has been revised to reflect the expanded scope. Revised and new results indicators are presented below:

a. PDO Level Indicators:

- i. People provided with new or improved electricity service [Revised target]
- ii. People provided with new or improved access to clean cooking solutions [Revised target]
- iii. Reduction of net CO<sub>2</sub> emissions through off-grid electrification and clean cooking solutions [Revised target]
- iv. Schools provided with new or improved access to clean cooking solutions (Number) [New indicator]

b. Revised and new Intermediate Results Indicators

- i. Households provided with new or improved access to off-grid electricity [Revised target]
  - 1. Of which: female-headed households [Revised target]
  - 2. Of which: Households provided with off-grid electricity through Ci-Dev Fund (Number) [New indicator]
- ii. Households provided with new or improved access to clean cooking solutions [Revised target]
  - 1. Of which: female headed households [Revised target]



2. of which: Households provided with new or improved access to clean cooking solutions through Ci-Dev fund (Number) [New indicator]
- iii. Amount of private investment mobilized [Revised target]
  1. Of which: Amount of private investment mobilized through Ci-Dev fund (Amount (USD)) [New indicator]
- iv. Emission Reduction Purchase Agreement (ERPA) Disbursement (Percentage of Total Eligible Amount) (Percentage) [New indicator]
- v. MINECOFIN completes transfer of revenue from the first ERPA Payment to BRD to replenish the RBF window (Yes/No) [New indicator]

#### D. Project Description

8. **EAQIP, the parent project in the amount of US\$150 million equivalent was approved by the World Bank Board on September 17, 2020; and became effective on March 29, 2021.** EAQIP is co-financed by the Clean Cooking Fund (CCF, US\$10 million) and is jointly co-financed by the French Development Agency (AFD, EUR80 million). The project is aligned with the objectives and targets of the National Strategy for Transformation 2017-2024 (NST1) of the GoR. The NST1 recognizes availability and access to quality, affordable, and reliable energy as fundamental to Rwanda's economic growth and assigns specific targets to the continued development of the energy sector. The project is also fully aligned with the World Bank Group Country Partnership Framework (CPF) for FY21–FY26 for Rwanda which was developed and finalized jointly with the GoR in the context of the COVID-19 pandemic and was discussed by the Board of Executive Directors on July 11, 2020. The project is reflected in the CPF and directly contributes to the objective of 'Expanded Access to Infrastructure and the Digital Economy'. By improving households' livelihoods through access to modern energy, including in rural and peri-urban areas, which are home to a disproportionate share of Rwanda's poor and vulnerable, the EAQIP contributes to the World Bank's twin goals of eliminating extreme poverty and promoting shared prosperity.

9. The project consists of the following four components:

- a. **Component 1: Increasing Access to Grid Electricity (International Development Association [IDA]: US\$90 million equivalent; AFD: EUR 78 million).** The component supports the GoR in expanding grid electricity to households and productive users. It provides financing toward grid connections of new consumers, including financing of grid extensions and consumer connections.
- b. **Component 2: Enhancing the Efficiency of Electricity Service (IDA:US\$30 million equivalent).** This component includes: (a) Rehabilitation of Ntaruka Hydropower Plant (HPP) (US\$11 million equivalent); (b) Investments to Improve Stability and Reliability of the Power System (US\$8.5 million equivalent); (c) Improvements in the Operational Performance of the Energy Utility Corporation Limited, EUCL (US\$10.5 million equivalent). Taken together, these investments will improve Rwanda's renewable generation capacity, the reliability of the power system and its suitability for connecting with the regional power network, and the quality of electricity service provided by EUCL.
- c. **Component 3: Increasing Access to Off-Grid Electricity and Clean Cooking Solutions (IDA: US\$25 million equivalent; CCF Grant: US\$7 million).** This component includes: (a) Increasing Off-Grid Electricity Access (US\$15 million equivalent IDA); and (b) Increasing Access to Clean Cooking Solution (IDA: US\$10 million equivalent; CCF Grant: US\$7 million). The component contributes directly to the targets of the GoR to increase access to modern energy solutions.



- d. **Component 4: Technical Assistance, Institutional Capacity Building and Implementation Support (US\$5 million equivalent IDA + US\$3 million CCF + EUR 2 million AFD)** This component will support: (a) Technical Assistance (TA) to address sector performance improvements and develop forward-looking options for sector development; (b) Capacity building to ensure the sector continues to develop appropriate capacity for supervision of implementation of energy sector programs and efficient utilization of energy sector investments; (c) Implementation support; (d) RETF grant from the CCF for market development and TA for the clean cooking sector (CCF); and (e) Incremental operating costs of the Energy Development Corporation Limited, EDCL (IDA and CCF) for providing verification and technical assistance for cooking sector development and management of the RBF SHS and ECC facilities.

#### A. Implementation Status of the Ongoing Parent Project

10. **“Implementation progress” and “progress towards achieving the development objectives” have been consistently rated satisfactory in the three recent Implementation Status and Results Reports (ISR)**, with the latest ISR filed on December 17, 2021. The project has disbursed US\$18.7 million at a disbursement rate of 12 percent.

11. The implementation status of the parent project is as follows:

- a. **Component 1.** This component includes electrification of 11 districts with joint co-financing between the World Bank and AFD. 6 districts are planned to be electrified using Engineering, Procurement and Construction (EPC) contracts and 5 through procurement of materials and installation by EDCL’s in-house teams. EDCL has signed EPC contracts for 2 districts and aims to sign the contracts for the remaining 4 districts by June 2022. Out of the 5 districts for in-house implementation, for 2 districts EDCL has completed detailed designs and has started procuring materials, and for 3 districts EDCL has initiated preparing detailed designs.
- b. **Component 2.** The rehabilitation of the Ntaruka HPP is on hold since the Government aims to evaluate the feasibility of adding pumped storage option. The implementation of installation of static voltage compensators at two substations has started. For the remaining activities, EDCL is conducting scoping, designing and development of the terms of references (ToR).
- c. **Component 3a.** This subcomponent is a top-up to the existing RBF window for SHS under the Rwanda Renewable Energy Fund Project (REF; P160699), with US\$15 million allocation from REF and US\$15 million allocation from EAQIP. The REF RBF window has committed funds worth a total of US\$17 million, of which US\$2 million are from EAQIP.
- d. **Component 3b.** EDCL has approved 32 companies with 52 technologies to test for technical performance eligibility. Rwanda Standards Board has tested 17 technologies and approved 9 technologies passing the eligibility criteria to be included in the program. 2 companies have applied to BRD to join the RBF program. Disbursements are expected to start by June 2022.
- e. **Component 4.** Staffing of the Project Implementation Unit (PIU) is ongoing and expected to be complete by June 2022. In collaboration with the World Bank, EDCL is also preparing a capacity building plan and an impact evaluation. Procurements for several TA contracts for the clean cooking program are at advanced stages.



## B. Rationale for Additional Financing

12. **The proposed AF comprises of three objectives:** (i) support access to clean cooking solutions for public schools by adding a subcomponent to EAQIP's component 3; (ii) allow the Government to capture the monetary value of the GHG emission reductions (ER) generated by EAQIP Component 3 and use associated revenues to further expand access to off-grid electricity and clean cooking solutions in Rwanda; and (iii) support the GoR evaluate the option of adding pumped storage functionality to the Ntaruka HPP and contribute towards renewable energy expansion in Rwanda.

13. **Rationale for expanding access to clean cooking solutions for public schools in support of school feeding program in Rwanda.** School Feeding has been an integral part of the Government's strategy to address children's hunger during the school day, to support Rwanda's human capital creation, and to expand access to educational opportunities to disadvantaged children, particularly learners from low-income families. To implement school feeding policy, the GoR has scaled up the School Feeding Program from pre-primary up to secondary schools, equipped schools with kitchens and cooking stoves, and provided a subsidy for each student's meal to complement parents' contributions. Rwanda has a total of 7609 schools distributed among five provinces and divided into 30 districts (Ministry of Education, 2019). The vast majority of schools rely on firewood for cooking and the annual firewood expenditure per student per year for firewood is estimated to be RWF 9951, paid directly or indirectly through school fees by the parents and serving three meals a day (Minister of Education, 2019). A pre-feasibility study funded by the EU estimated that 482 institutional public boarding schools would need about 71,000 ton of firewood burnt for cooking per year, assuming an average per capita consumption of firewood per day of 1.33 kilogram, and students living at school's facilities for 10 months/year. This could lead to about 114,000 ton of CO<sub>2</sub> emissions per year, considering 1.6 kilograms of CO<sub>2</sub> emissions per 1 kilogram of firewood burnt. Burning firewood for cooking also exacerbates deforestation in Rwanda. Therefore, it is critical to promote efficient and clean cooking solutions for schools to reduce the adverse impacts of relying on firewood in terms of carbon emissions and deforestation.

14. **Rationale for scaling up market development for off-grid solar and efficient and clean cooking products.** Off-grid solutions are still needed for millions of people who reside in remote rural areas. The Government's revised National Electrification Plan (NEP) released in February 2022 demarcates 700,000 households across 3,982 villages for off-grid solar connections up to 2024. In addition, the implementation of the newly approved Biomass Energy Strategy will require substantial grant resources made available to the clean cooking sector to address the affordability and awareness gaps as well as the unproven nature of many new technological solutions in Rwanda. The Biomass Strategy estimates investment requirements of US\$240–US\$590 million (2018–2024) and US\$200–US\$365 million (2024–2030) to meet the targets. EAQIP's Component 3 is designed to provide a significant push to the spread of off-grid SHS and efficient clean cooking (ECC) products. A scale-up from the Carbon Initiative for Development (Ci-Dev) results-based grant would help accelerate the achievement of the Government's objectives in these sectors, as payments to the Government will replenish funds used for the Government's subsidy RBF mechanisms. The Ci-Dev transaction also become a model for the Government to seek additional climate/carbon finance beyond Ci-Dev to continue funding for off-grid SHS and ECC products.

15. **Rationale for supporting a feasibility study to add pumped storage functionality to the Ntaruka HPP.** The Ntaruka HPP is strategically located between two natural reservoirs, Lake Burera at higher elevation and Lake Ruhondo at lower elevation. The presence of these natural reservoirs makes pumped storage an attractive option



for the plant. Adding a pumped storage functionality to the plant could serve two crucial objectives: (i) in the short term, it could help reduce Rwanda's dependence on diesel power to meet the evening peak demand (Rwanda sees a pronounced evening peak between 6-10 PM, which escalates diesel generation to meet the spike); and (ii) in the long-term, it could enable addition of variable renewable energy (VRE) in the Rwandan grid in the form of solar and wind power. Pumped storage features prominently in Rwanda's least cost power development plan (LCPDP), with the latest LCPDP released in December 2021 proposing an addition of over 80 MW of hydro pumped storage between 2026-2040. The feasibility study would help establish the possibility of adding pumped storage to the Ntaruka HPP and could contribute to greening the Rwandan power grid if the option is found to be feasible.

16. **The AF will enhance the climate co-benefits of the parent project.** All activities proposed under the AF support climate mitigation efforts. The scale-up of components 3a and 3b, and the addition of component 3c, will increase the wider use of renewable energy for lighting and more efficient and clean cooking practices for both households and public schools. These activities will help displace more polluting fossil fuel (notably kerosene) for lighting and reduce reliance on inefficient burning of traditional biomass for cooking. This promises to significantly reduce GHG emissions associated with household and public institution energy consumption. The feasibility study for adding pumped storage to the Ntaruka HPP is expected to support reduction of the reliance of Rwanda on thermal generation and enhance the ability of Rwanda's power system to accommodate VRE. Both outcomes will help reduce GHG emissions associated with power generation in Rwanda. Assessment of the climate impact of pumped storage is part of the Terms of Reference of the proposed Feasibility Study.

### C. Description of Additional Financing

17. The proposed AF will specifically support the following activities:
- a. The grant of US\$3.15 million from ESMAP provided by the Government of Denmark (GoD) will support access to clean cooking solutions for public schools as an Investment Project Financing (IPF). This activity will establish a new subcomponent 3c under the parent project and provide additional TA support under component 4.
  - b. The grant of US\$10.51 million from Ci-Dev is intended to scale-up the Result-Based Finance (RBF) facilities for the financing of stand-alone Solar Home Systems (SHS) and Efficient and Clean Cooking (ECC) products under Component 3, Increasing Access to Off-grid Electricity and Clean Cooking Solutions. The additional grant of US\$0.3 million from Ci-Dev will provide technical assistance and incremental operating costs to the implementing agency towards new activities related to carbon financing under Component 4, Technical Assistance, Institutional Capacity Building and Implementation Support. An ERPA for US\$10.51 million and a Grant Agreement for US\$0.3 million will be negotiated and signed between the Ministry of Finance and Economic Planning and the Bank as Trustee of Ci-Dev.
  - c. The grant of US\$0.4 million from the HDF at ESMAP will be added to Component 4 to support the preparation of a feasibility study on adding pumped storage functionality to the Ntaruka Hydropower Plant (HPP) as a Recipient Executed Trust Fund (RETF). Subcomponent 2a of the parent project supports Rehabilitation of the Ntaruka HPP.

### D. Financing

18. Table 1 below summarizes the overall IDA/CCF budget for the Project, as well as the proposed allocation



for additional financing.

Table 1: EAQIP Summary of Financing (US\$ million)

Component	Original IDA Credit	Original ESMAP/CCF	AF ESMAP	AF Ci-Dev	Total
1. Increasing Access to Grid Electricity	90.0	0	0	0	90
2. Enhancing the Efficiency of Electricity Service	30.0	0	0	0	30.0
3. Increasing Access to Off-grid Electricity and Clean Cooking Solutions	25.0	7.0	2.85	10.51	45.36
4. Technical Assistance, Institutional Capacity Building and Implementation Support	5.0	3.0	0.7	0.3	9.0
<b>Sub-total</b>	<b>150</b>	<b>10</b>	<b>3.55</b>	<b>10.81</b>	<b>174.36</b>

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

Yes

Projects in Disputed Areas OP 7.60

No

Summary of Assessment of Environmental and Social Risks and Impacts

19. In terms of the Environment and Social risk management for these subcomponents, BRD also has an adequate established Environmental and Social Management Systems (ESMS) under its REF, that will be reviewed for adequacy prior to implementation of subcomponent 3a and 3b, will be updated as per the requirements of Environmental and Social Standards (ESS) 9.

20. The summary of the ESMS which is expected to be prepared after the appraisal shall present the procedure on how ESS9 applied and how FIs will assess and manage environmental and social risks and impacts associated with the subprojects it finances. BRD shall establish and maintain the organizational capacity and competency required for implementing the ESMS with clearly defined roles and responsibilities. For Environmental and Social (E&S) management positions/resources that are a part of the organizational structure will be assigned in accordance with the commitment made in the Environmental and Social Commitment Plan (ESCP). In addition, when project specific sites are identified, site specific ESSs instruments (Environmental and Social Management Plan, Environmental and Social Impact Assessment, Resettlement Action Plan) for subprojects will be prepared, implemented, and monitored as per the Environmental and Social Framework (ESF) instruments during the project implementation. Each ESMP will incorporate a solid waste management plan, a labor management plan, rehabilitation plan for borrow/quarry sites and/or an occupational health and safety plan as required.

21. Operational Policy 7.50 (OP 7.50) of the World Bank, covering projects affecting international waterways, is applicable to the AF because the project includes financing a feasibility study to add a pumped storage option to the Ntaruka HPP. The Ntaruka HPP connects Lake Burera with Lake Ruhondo. Lake Ruhondo is connected to



international waterways through a series of domestic rivers. Lake Ruhondo is the source of the Mukungwa river which merges with the Nyabarongo River, a tributary of the Akagera River. The Akagera river empties into Lake Victoria, which is part of the Nile River system shared by Burundi, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda.

22. The Project falls under an exception to the riparian notification requirement under paragraph 7(b) of the policy. Paragraph 7 of the policy specifies three exceptions to the requirement that the other riparian states be notified of the project. The exception under paragraph 7(b) applies to this AF: “Water resource surveys and feasibility studies on or involving international waterways. However, the state proposing such activities includes in the terms of reference for the activities an examination of any potential riparian issues.” A memo on the exception to the riparian notification requirement has been prepared and signed by the regional vice president (RVP) on May 4, 2022.

## E. Implementation

### Institutional and Implementation Arrangements

23. The proposed AF builds on the implementation arrangement of the parent project, which is jointly implemented by the EDCL and BRD. For the scale-up of subcomponents 3a and 3b through the Ci-Dev grant, BRD will continue leading the implementation while EDCL will cover all technical aspects related to the GHG emission reduction monitoring, reporting, and verification (MRV). The additional implementation requirements for carbon financing can be efficiently and effectively built on existing arrangements. Ci-Dev is providing a US\$300,000 grant to fund EDCL for the additional efforts as well for its hiring of an accredited GHG ER verifier for three ER verifications. Ci-Dev, through a Bank-executed consultancy, will provide support and technical assistance to build capacity within EDCL for carrying out these and other carbon operations. For components 3c and 4, EDCL will lead the implementation, including (i) the implementation of sub-component 3c; ii) additional TA activities under component 4 that support implementation of component 3; and iii) preparation of feasibility study for adding pumped storage to the Ntaruka HPP under component 4. These additional responsibilities aligned with EDCL’s original responsibilities under the parent project.

24. Ci-Dev, through a separate Bank-executed regional consultancy, will support Rwanda and eight other Ci-Dev project countries in rolling-out the Standardized Crediting Framework (SCF). The SCF itself provides some of the important building blocks for Rwanda to scale-up the infrastructure and governance needed to address other sectors and to fully leverage carbon markets through international transactions as per Article 6 to the Paris Agreement. Complementing the SCF Roll-out effort for this end, the Bank’s Partnership for Market Readiness (PMI) is expected to provide separate technical support and capacity building to the Rwanda Environment Management Authority (REMA).

25. **Host Country Agreement (HCA):** A HCA with REMA will be required under the ERPA as a condition to sale and purchase (ERPA Schedule 1). An HCA would commit REMA to cooperative efforts related to Ci-Dev’s ERPA, such as the establishment of a national carbon registry and the national authorization of ER programs associated with the Ci-Dev ERPA. .



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