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Project Information Document (PID)

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BASIC INFORMATION

A. Basic Project Data

Country Rwanda	Project ID P165017	Project Name Rwanda Urban Development Project II	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 13-Apr-2020	Estimated Board Date 15-Jul-2020	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance and Economic Planning (MINECOFIN)	Implementing Agency Ministry of Infrastructure (MININFRA), Local Administrative Entities Development Agency (LODA), Rwanda Environmental Management Authority (REMA), City Administration of Kigali	

Proposed Development Objective(s)

To improve access to basic services, enhance resilience and strengthen integrated urban planning and management in the City of Kigali and the six secondary cities of Rwanda

Components

- Support to the City of Kigali
- Support to Secondary Cities
- Institutional Capacity Development and Project Management
- Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	158.07
Total Financing	158.07
of which IBRD/IDA	150.00
Financing Gap	0.00

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DETAILS

World Bank Group Financing

International Development Association (IDA)	150.00
IDA Credit	150.00

Non-World Bank Group Financing

Trust Funds	8.07
Global Environment Facility (GEF)	8.07

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

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Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Rwanda has experienced strong, uninterrupted economic growth over the past two decades following the genocide of 1994 and is among the fastest growing economies in Africa.** Rwanda’s per capita income increased from US\$ 587 in 2010 to US\$ 787 in 2018¹. Economic growth averaged 7.2 percent per year during the same period compared to the regional average of 3.6 percent. This was the second highest rate of economic growth in Sub-Saharan Africa. GDP growth reached 9.4 percent in 2019, accelerating from 8.6 percent in 2018 and 6.1 percent in 2017. Accelerated growth is attributed to robust performance across key sectors, as well as increased public investments for implementation of the National Strategy for Transformation (NST1). Major economic sectors such as industry (propelled by construction) and services (driven by trade and transport) have grown at 8-10 percent annually since 2006, and agriculture at 5.4 percent. Public investments increased from 4.9 percent in 2003 to about 9.4 percent in 2018. While still a low-income country, Rwanda today is ahead of more than 20 countries in the region in terms of GDP per capita.

¹ Tradingeconomics.com/World Bank



2. **While sustained economic growth has led to significant poverty reduction, it has been stagnant in recent years.** Poverty declined from 60.4 to 38.2 percent of the population between 2000 and 2017² with an improvement in social indicators. Poverty has also become less severe with the distance between poor households' consumption from the poverty line declining. However, the rate of poverty reduction has decreased following the 2016 drought, with unusual increase in food prices and reduction in household food consumption, coupled with a slowdown in structural transition³ The combination of low farm productivity and a high concentration of the population in rural areas has also reduced the elasticity of poverty reduction in recent years.⁴ Going forward, Rwanda faces the challenge of sustaining historically high growth rates and accelerating poverty reduction. Growth is estimated to have reached 8.5 percent in 2019⁵ due to public investments and fiscal stimulus. As the fiscal expansion for the NST1 subsides in the medium term, attention must turn to improving allocation of economic resources through better market functioning and increased private sector investment.

3. **Sustainable Urbanization has been one of the country's key development strategies and has contributed significantly to economic growth and structural change in Rwanda.** The government has identified sustainable urbanization and off-farm job creation as critical for achieving its vision of becoming a middle-income country. Structural transformation or the movement of labor out of low-productivity agriculture to industry and services, and from farms to cities, has indeed accompanied Rwanda's growth in the 2000s. Urbanization has accounted for 37 percent of national structural change (GDP growth through labor reallocation across sectors), and urban areas have accounted for 48 percent of national labor productivity growth over the past 15 years.⁶ Urbanization in Rwanda has also been accompanied by poverty reduction primarily in areas with high density and good connectivity although this effect tapers off as one moves away from city centers.⁷ According to the National Census in 2012, nearly a third of the poor live in the periphery of secondary cities (10-20km away from the center), where opportunities for poverty reduction exist by better connecting the periphery with urban centers.

4. **The coronavirus pandemic poses serious economic, social and public health threats to Rwanda.** An outbreak of the coronavirus disease (COVID-19) has spread rapidly across the world including Rwanda since December 2019. Even though the pandemic is expected to be transitory, the overall adverse economic impact on Rwanda will be substantial. The growth rate for 2020 is expected to decelerate to about 5 percent, with significant downside risks depending on the extent of COVID-19's spread in Rwanda and any delays in recovery of international flows of goods, services and people. Growth could be substantially lower and social and poverty impact worse if COVID-19 cases in the country are not effectively contained. The risk of transmission remains substantial given that infected individuals can be asymptomatic and transmit the disease; the country has a high population density; and a sizable proportion of the population in Kigali lives in unplanned settlements.

² Based on the Integrated Household Living Conditions Survey 5 (EICV5) - Poverty Panel Report

³ World Bank and National Institute of Statistics Rwanda (NISR) household surveys. The impact of the heavy rainfalls in early 2018 is yet to be seen as it is not included in the latest household survey released in late 2018.

⁴ Rwanda Systematic Country Diagnostic (SCD), Concept Note, May 29, 2019.

⁵ Rwanda Economic Update 15th Edition, January 2020.

⁶ Diao, Randriamamonjy, and Thurlow. 2017. "Urbanization and the Future of Economic Development in Rwanda." International Food Policy Research Institute, Washington, DC. Background paper for Future Drivers of Growth in Rwanda.

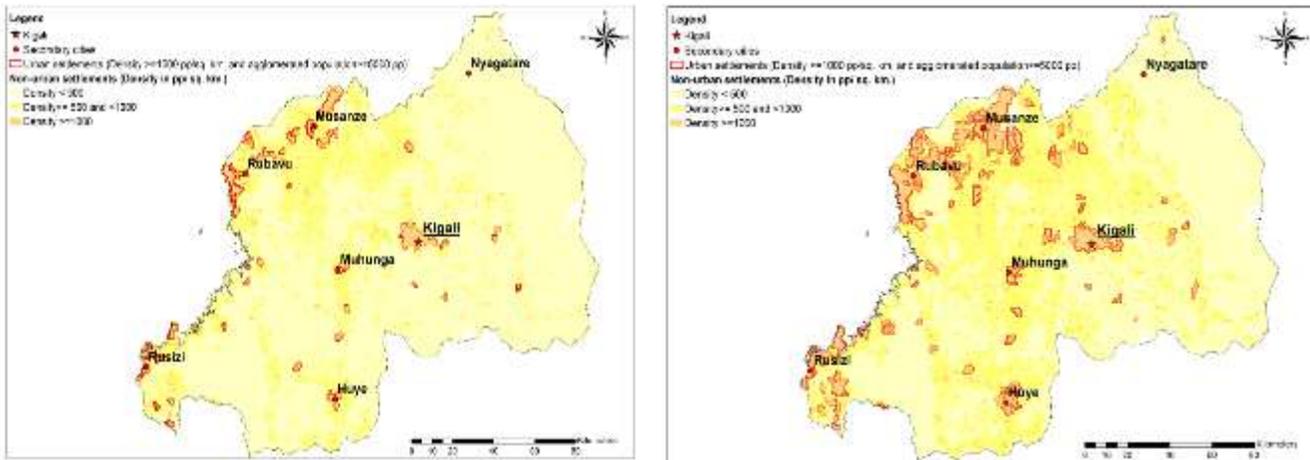
⁷ World Bank. 2017. Reshaping Urbanization in Rwanda: Economic and Spatial Trends and Proposals; Note 3: Urbanization, Job Creation, and Poverty Reduction in Rwanda.



Sectoral and Institutional Context

5. **Rwanda’s urban population has doubled since 2002⁸ with the urbanization rate of 18.4 percent in 2018⁹. This is primarily led by Kigali as well as secondary and emerging cities.** With 1.63 million residents as of 2018, Kigali is home to approximately 13.7 percent of Rwanda’s population. Population growth in Kigali was 6.4 percent per year from 2002 to 2012, which makes it one of the fastest-growing cities in Africa and the most favored destination for rural migrants.¹⁰ Half of the urban population outside Kigali is found along emerging corridors around secondary cities: the Musanze-Nyabihu-Rubavu corridor (one-third) and the Muhanga-Huye corridor

Figure 1: Evolution of urban settlements between 2002 (left) and 2015 (right)



Source: World Bank. 2017. Reshaping Urbanization in Rwanda: Economic and Spatial Trends and Proposals; Synthesis Report; WorldPop datasets available at: <http://www.worldpop.org.uk/data/summary/?doi=10.5258/SOTON/WP00223>

including Nyanza and Ruhango districts (18 percent). Much of Rwanda’s remaining urban population is spread between Kigali and Bugesera, Kayonza, the Burundian border, and the more isolated settlements of Nyagatare and Rusizi.¹¹

6. **Kigali is the largest urban agglomeration, demographically and economically, with a few economic corridors emerging around secondary cities.** Kigali is nearly six times larger than the second largest city, Rubavu. Its output exceeds that of the six secondary cities plus several other towns combined and is seven times higher than that of Rubavu. Firms registered in Kigali accounted for 92 percent of all turnover declared to the Rwanda Revenue Authority in 2015, and more than half of all formal firms and half of formal employment are in Kigali. Nightlights-based estimations suggest that Kigali accounted for 40 percent of GDP in 2012.¹² Outside Kigali, the largest concentration of economic activities is in the Rubavu-Nyabihu-Musanze area close to Goma across the border with the Democratic Republic of Congo (DRC). Per the 2014 Establishment Census, the three districts account for 7 percent of formal private sector jobs, although far behind Kigali’s share of 54 percent. The importance of cross-border trade is also evidenced by Rusizi, which shares the border with Bukavu in DRC.

⁸ World Bank. 2017. Reshaping Urbanization in Rwanda: Economic and Spatial Trends and Proposals; Synthesis Report.

⁹ National Institute of Statistics of Rwanda (NISR). 2018. Integrated Household Living Conditions Survey 5 (EICV 5).

¹⁰ World Bank. 2017. Reshaping Urbanization in Rwanda: Economic and Spatial Trends and Proposals; Synthesis Report.

¹¹ Diao, Randriamamonjy, and Thurlow. 2017.

¹² World Bank. 2017. Reshaping Urbanization in Rwanda, Note 1: Urbanization and the Evolution of Rwanda’s Urban Landscape.

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Table 1: Key Data on Project Cities

City	Total urban resident population	Urban Sector Population Density (population per sq. km)	Urban Poverty Rate* (EICV5)	% HH living in unplanned settlements in urban areas
Huye	41,880	1,506	28.8	70.8
Muhanga	44,800	2,229	13.4	52
Musanze	69,220	2,933	19.4	61.3
Nyagatare	17,929	356	53.7	5.9
Rubavu	143,019	3,195	20	29.6
Rusizi	24,300	2,593	24.9	51.8
Kigali	845,730	3,556	8.3	78

Source: Census 2012 (unless noted otherwise) and EICV 5

*Urban poverty rate for districts with secondary cities; urban poverty rate for Kigali districts and Kigali

**Source: gadm.org GIS shapefiles

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7. **Rapid and well-managed urbanization is essential for Rwanda to achieve its twin aspirations for growth and improved quality of life.** With faster urbanization, Rwanda’s economy could be 20 percent larger by 2050, if cities are well managed to efficiently connect jobs and homes and generate the kind of productivity gains that rapidly growing cities in successful East Asian economies have achieved (World Bank, 2019). Kigali is the prime economic hub of Rwanda and has the potential to provide most of the gains from faster urbanization through scale and specialization, integrating Rwanda’s growth engine with the regional and global economy. Secondary cities—Huye, Muhanga, Musanze, Nyagatare, Rubavu and Rusizi—will have to be managed as a portfolio of cities and focus on mobilizing local knowledge and resources to meet urban needs and catalyze their development potential.

8. **This requires reshaping urban policies to improve economic and spatial planning, support agglomeration economies and build stronger institutions.**¹³ Economic transformation through urbanization and a green economy became a priority policy agenda under the Economic Development and Poverty Reduction Strategy (EDPRS) 2 for 2013-2018, which identified six secondary cities as poles of growth and centers of non-agricultural economic activities and envisaged the development of sustainable cities and villages. The World Bank supported the government’s agenda through the ongoing Rwanda Urban Development Project (RUDP), which has invested majority of its financing (US\$80 m of US\$95 m) in basic infrastructure in the secondary cities, while developing their technical capacities. The next phase of RUDP (or RUDP II) is proposed in the process whereby the government is moving towards managing urbanization as a system of cities, first by recognizing the primacy of Kigali as the national growth engine and second by acknowledging the need for dedicated urban institutions in secondary cities. In the long run, an urban program can be developed to accommodate different needs and capacities of the CoK, secondary cities and other towns. The recent restructuring of the CoK and establishment of City Management Offices (CMOs) in the six secondary cities demonstrate a policy shift in the right direction, opening an opportunity to delegate greater and clearer mandates to city governments for planning, implementation and coordination. The World Bank will continue to support this evolving process in Rwanda’s urban policy and development by providing a distinct set of investments, technical assistance and institutional and capacity development support to the CoK and secondary cities under the proposed RUDP II.

¹³ World Bank. 2019. “Future Drivers of Growth in Rwanda: Innovation, Integration, Agglomeration, and Competition.” Conference Edition. World Bank, Washington, DC.



9. **The COVID-19 pandemic is an additional, previously unconsidered, vulnerability whose negative impact will disproportionately fall on the poorest and most vulnerable groups in Rwanda.** Informal sector workers, like street vendors, construction workers, and those in low-income jobs or in jobs that cannot be performed remotely, are most vulnerable, as these people often have no savings to deal with external shocks, and even stocking up on food can represent an impossible financial hurdle. The harm inflicted especially on the urban poor and female-headed households is likely to be devastating. In informal urban settlements, overcrowded living conditions, limited access to basic services particularly water, sanitation and health services, and reliance on crowded transport services put residents at very high risk. With no cure or vaccination currently available, managing the contagion will be difficult as population density and space constraints make physical distancing and self-quarantine nearly impossible, increasing the likelihood that the infection will spread faster in these settlements. As the country gradually reopens its economy, there would be a need to implement interventions that would deal with any future outbreak of a similar nature, and to ensure that government responses will integrate informal settlements and their specific constraints and needs. Thus, the proposed project will provide settlement-level responses to the pandemic through comprehensive infrastructure upgrading, including improved roads, street lighting, stormwater drainage, solid waste collection points, sanitation, water supply, community facilities, local market improvements, multi-purpose facilities and public spaces. This upgrading will counter some of the conditions that exacerbate the effects of the pandemic, such as inadequate infrastructure for basic services. Further, RUDP II will build the institutional capacity development for participatory planning thereby enhancing longer-term community resilience and reducing COVID-19 impacts and other future crises.

10. **Kigali as the prime economic hub of Rwanda will have to accommodate a much larger population by implementing integrated urban plans to create well-planned, healthy and safe neighborhoods.** About 63 percent of Kigali's settlements are considered unplanned,¹⁴ and are characterized by limited access to basic infrastructure and poor living conditions. Accordingly, upgrading of unplanned settlements continues to be an important priority for CoK as well as the national government, supported by policies such as the National Urban Informal Settlements Upgrading Strategy (2017) and the City-Wide Unplanned and Underserved Settlements Upgrading Strategy for Kigali (2019). The Urbanization Sector Strategic Plan for 2018-2024 includes the policy target of reducing the percentage of the urban population living in unplanned settlements by around 10 percent. The proposed project aims to support the CoK to strengthen its capacity to prepare and implement urban plans, resulting in improved neighborhood planning and on the ground investments.

11. **Investments in hard and soft infrastructure will also be needed for secondary cities to nurture and grow its economic potential.** The NST 1, a 7-year Government Program (2017-2024) that succeeds EDPRS 2, continues to support sustainable urbanization as one of the priorities and proposes development of flagship projects and implementation of master plans in secondary cities. These cities will benefit from strong and adaptive investments in human resources and institutions which will enable local leaders to mobilize local knowledge and resources and act as effective change-managers in an environment in considerable flux¹⁵. The proposed project will support secondary cities to develop infrastructure investment pipelines that meet their urban needs and catalyze their development potential. These investments will be coupled with activities to strengthen the cities'

¹⁴ In Rwanda, settlements are unplanned rather than "informal" and land tenure is not a pressing need since the country's land reform project has surveyed and allocated land to inhabitants, removing underlying uncertainties regarding ownership (National Informal Urban Settlement Upgrading Strategy, 2017).

¹⁵ World Bank. 2019. "Future Drivers of Growth in Rwanda: Innovation, Integration, Agglomeration, and Competition."



urban planning and management capabilities that are critical for efficient delivery and sustainable management of infrastructure and services.

12. **For efficient and sustainable delivery of basic infrastructure and services, the proposed project will support the Government’s agenda to strengthen city governance and planning in Rwanda.** Although decentralization is provided for in the Constitution, national government ministries and agencies continue to play a predominant role in planning, infrastructure and service delivery. Local governments remain highly dependent on transfers from the central government, while the assignment of functional responsibilities as spelled out by the local government law is relatively open-ended or vaguely delineated, leaving them to be shared between the national and local governments on a concurrent basis. Clarifying their responsibilities with respect to urban management and facilitating vertical coordination will require stronger urban governments with local planning capacity to unite economic and spatial planning and ensure that managed urbanization supports growth, investment, and community aspirations, rather than restricting them. However, urban planning capacity is inadequate in most locations. RUDP II will help cities to develop an institutional structure and capacity for integrated urban planning through a series of interconnected technical assistance that are well aligned with the national government’s decentralization and urbanization policies.

13. **The project will also explore participatory approaches for engaging women and other minority groups in project planning, prioritization and implementation particularly in the upgrading of unplanned settlements.** Several studies on good governance in Rwanda have reported that participation in government planning processes is generally low, including that by women, youth and people with disability (Never Again Rwanda, 2018). Citizens and local councils lack sufficient capacity to mainstream gender considerations in local planning, investment and management in cities. City-level authorities have difficulty understanding the unique needs of men, women, children, the elderly and disabled people especially when disaggregated data is not always available. For instance, almost 51 percent of working heads-of-household in Kigali’s unplanned settlements commute from home to work on foot. This is especially true for female heads-of-household, who are about 15 percentage points more likely to walk to work than their male counterparts (Hitayezu et al, 2018). As a result, women benefit less from urbanization and face more difficulties accessing urban services, participating in political and public life, and benefitting from economic opportunities in cities. Under RUDP II, a major opportunity for introducing a participatory, gender-sensitive approach to address some of the identified gender gaps lies in the upgrading of unplanned settlements in the City of Kigali (Component 1a of US\$40.2 million) and in Secondary Cities (Component 2a of US\$28 million). Gender gaps that project activities can meaningfully address pertain to voice and agency.

Sustainable Urbanization and Climate Resilience Context

14. **Rwanda is highly vulnerable to adverse effects of climate change as evidenced by the 2016 drought and the 2018 and 2019 heavy rainfalls.**¹⁶ Since 1970, Rwanda’s average temperature has increased by 1.2°C and it is projected to rise as high as 2.5°C to 3.3°C by the end of the century. This will be accompanied by an increase in total number of warm days in a year. Models predict a change in average annual rainfall of between -100mm and +400 mm in the next 30 years, anticipating shorter and more intense rainfalls during the rainy seasons, while dry

¹⁶ More than 15 Districts were affected by severe floods in 2018. Only in Kigali, 31 persons were reported death and another 31 injured, and more than 2,000 houses were damaged due to floods from January to May of 2018 according to records by the Ministry of Disaster Management and Refugee Affairs reported in the “Assessment of Current Storm Water Management and Flood in the City of Kigali Areas” by MoE, 2018.



seasons will be longer and drier¹⁷. Droughts and floods are region-specific problems, with droughts occurring mainly in the east of the country and floods in the western/central north and south of the country.¹⁸ Additionally, the intensity and frequency of windstorms are also increasing with the change in climate. Almost 2.8 million people and half a million houses are currently exposed to windstorms at intensities of moderate to strong gales, and about two-thirds of this population is poor. Due to its geographic location and topography, the country is also at high risk of erosion and landslides, where 42 percent of the land is moderately or severely susceptible to landslides.

15. **Poorly managed urbanization is threatening the state of environment leading to increased vulnerability to flood risks, land degradation and biodiversity loss.** Scarce access to land in and around Kigali has resulted in unplanned settlements, many of which are exposed to climate hazards particularly flooding. The city's extensive network of wetlands has shrunk from 100 sq. km in 2013 to the current level of 72 sq. km due to encroachment by activities such as industry and urban agriculture¹⁹. The Nyabugogo sub-catchment, within which the CoK is largely located, has severely degraded due to deforestation, unplanned settlements and unsustainable agricultural practices on the hillsides. Loss of wetlands has also led to higher rates of point and non-point source pollution and negatively affected biodiversity, particularly native plant species and a rich diversity of migratory birds (e.g. the threatened Madagascar Pond Heron and the near-threatened Papyrus Gonolek). Industrial pollution from wetlands such as Nyabarongo and Gikondo threaten aquatic life in Kigali and further downstream. Reduced water quality also affects downstream water users. Loss of wetlands coupled with inadequate management of solid waste and wastewater lessens the natural ability to reduce flood risks, and contributes to increased levels of surface water, groundwater, soil and land contamination, negatively affecting communities downstream. These, in turn, can damage infrastructure investments such as roads, drains and settlements that are planned under the proposed project. Continued development of the built-up area can further exacerbate flood risks, unless coordinated with an integrated flood risk management approach.

16. **Greenhouse gas emissions are also expected to rise in Rwanda due to continued urban population growth.** Nationally, between 2006 and 2015, total annual greenhouse gas (GHG) emissions were estimated to have grown from 3.8 to 5.2 million tons of carbon dioxide equivalent (CO₂e), (excluding changes to forestry and land-use). By 2032, under a business-as-usual scenario, total GHG emissions are expected to be almost three times greater than in 2015 – representing an annual growth rate of 6 percent.²⁰ This growth is driven by increased demand for motorized transport, energy used in buildings and the generation of solid waste – combined with a commensurate reduction in air quality. Multi-sectoral action is needed to tackle these challenges and curb future emission increases. For instance, in Kigali, around 2,000 tons of solid waste is produced daily but only 20 percent is collected and landfilled, and 2 percent recycled, contributing to the release of contaminants into the natural environment. Improving the efficiency of waste collection and disposal can therefore reduce emissions, while vegetation enhancement can both protect existing carbon stocks and promote the sequestration of carbon dioxide.

17. **To sustain Rwanda's growth trajectory and gains, an integrated approach to sustainable urbanization, flood risk management and wetland restoration is needed to enhance resilience.** Rwanda's exposure to climate

¹⁷ World Bank Climate Change Knowledge Portal (CCKP)

¹⁸ Netherlands Commission for Environmental Assessment. 2015. *Climate change profile-Rwanda*.

¹⁹ SMEC International 2019. the National Policy on Water Resources

²⁰ Gouldson, A., Colenbrander, S., Sudmant, A., Chilundika, N., Musahara, H., and Melo, L. (2016). The Economics of Low Carbon Cities: Kigali, Rwanda. International Growth Centre, University of Leeds



change and its associated disaster risks can undermine the country’s growth prospects and slow down poverty reduction efforts.²¹ The Government of Rwanda is taking a lead on sustainable urbanization in the region and is committed to placing the principles of sustainability at the heart of Vision 2050 and the National Urbanization Policy. Acknowledging that cities are integrated systems and that environmental processes are interconnected, a comprehensive approach is needed for managing risks across the natural and built environment. Such an approach responds to the connectivity between land, water and waste in cities, and aims to demonstrate the complementarity of physical (or gray) and nature-based (or green) infrastructure solutions that can be replicated across the country and beyond. The proposed project aims to mainstream urban resilience through an integrated approach to flood risk management from the upper to the lower catchment, and from the top to the bottom of the hills in Kigali, as presented in Figure 2 below. Specific interventions include: (i) wetlands rehabilitation; (ii) green and grey investments to mitigate erosion, reduce and manage stormwater runoff along settlements, enhance wetland buffer zones and address flood hotspots; and (iii) comprehensive technical support that can improve citywide flood risk management such as development of a stormwater master plan and a solid waste strategy.

Figure 2: An integrated approach to flood risk management in Kigali under RUDP II



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18. **The proposed project is aligned with the World Bank’s current Country Partnership Strategy (CPS) 2014-2018, systematic Country Diagnostic (SCD) completed in June 2019 and the next draft Country Partnership Framework (CPF) (FY21–FY26) for Rwanda²².** Under the first theme in the CPS of promoting private-sector-driven and job-creating economic growth, urban development and the reduction of urban poverty were identified as priority areas for leveraging the World Bank Group’s assistance. The SCD recognizes environmental sustainability, building resilience to climate change and strengthening women’s participation in democratic bodies at the sub-national level as key priorities. These underscore the critical need to manage urbanization, strengthen decentralization and support climate compatible urban development in achieving Rwanda’s aspirations for growth. The draft CPF (FY21-FY26) for Rwanda has five strategic focus areas: (i) improved human capital, (ii) improved conditions for private sector development, (iii) expanded access to infrastructure and the digital economy, (iv) increased agricultural productivity and commercialization, and (v) intensified urban agglomeration.

²¹ A 2009 study on the economics of climate change in Rwanda found that climate change is likely to cost 1 percent of GDP per year by 2030. CDKN.2013. *Climate and Development Outlook Rwanda: Pioneering steps towards a climate resilient green economy*. http://cdkn.org/wp-content/uploads/2013/09/CDKN-Outlook-8_Rwanda_WEB.pdf

²² FY2014-2020; Report Number: 87025-RW. The CPF 2021-2026 is being finalized and is expected to be discussed by the Board in May 2020.



The proposed project will principally contribute to intensified urban agglomeration by supporting participatory planning and financing basic infrastructure and service provision in unplanned settlements in Kigali and the six secondary cities, integrating flood risk management approaches with wetland restoration and building effective urban management capacity.

19. **The scope of RUDP II is also in line with broader World Bank climate-related commitments and targets and GEF-7 program areas.** The proposed project strengthens climate resilience and contributes to scaling up climate action in accordance with the WBG’s Climate Action Plan 2016-2020 and the Action Plan on Climate Change Adaptation and Resilience. In addition, it is consistent with three of five areas of GEF-7’s Programming Directions, namely: (i) biodiversity, (ii) climate change, and (iii) land degradation. The program is carried out through selected “impact programs” to leverage GEF’s ability to design and implement integrated solutions. Specifically, Rwanda is selected as a country recipient of GEF’s Sustainable Cities Impact Program²³, which aims to support cities pursue integrated urban planning and implementation and increase their ambitions to deliver impactful sustainable development outcomes with global environmental benefits.

20. **The project also supports important national policies and mandates for climate resilience.** The RUDP II is well-aligned with the country’s Green Growth and Climate Resilience Strategy (GGCRS), Environmental Vision to 2030, Biodiversity Strategy, the National Policy on Water Resources, and the national mandate for an Integrated Water Resources Management Authority. The GGCRS informed the 2017 Strategic Program for Climate Resilience, which includes Climate Resilient Human Settlements as one of four key programs. Through investments in resilient infrastructure, nature-based solutions, and institutional strengthening to improve the capacity for climate resilient planning, the project will both reduce the frequency and impact of water-related disasters thereby reducing the vulnerability of urban areas to climate change, and support climate mitigation efforts.

21. **Finally, Rwanda’s commitment to Multilateral Environmental Agreements will be strengthened and the project will catalyze transformative action and the achievement of global environmental benefits.** Rwanda is a committed signatory to all the MEAs for which GEF has its mandate as the funding mechanism. This includes the UN Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. The World Bank supported Rwanda to update its Nationally Determined Contribution which was officially submitted to UNFCCC in May 2020 making Rwanda the first African country to submit its updated national climate plan a signal of global leadership on climate action. The revised NDC includes action on sustainable urbanization as key adaptation and mitigation activities. Rwanda is also a signatory of the Convention on Biological Diversity. The proposed RUDP II will result in direct contributions on improved biodiversity, reduced land degradation, and climate mitigation.

C. Proposed Development Objective(s)

²³ The Sustainable Cities Impact Program (SCIP) supports nine countries and 24 cities for participation in the GEF-7 financing round. The cohort of countries includes Argentina, Brazil, China, Costa Rica, India, Indonesia, Morocco, Rwanda, and Sierra Leone. The SCIP consists of an allocation of approximately US\$147 million in GEF resources, bringing in US\$ 2.1 billion in co-financing and contributing more than 120 million tons of CO₂eq in GHG mitigation benefits. The SCIP is one the three GEF-7’s impact programs that were created to help countries pursue holistic and integrated approaches for greater transformational change in key economic systems.



Development Objective(s) (From PAD)

To improve access to basic services, enhance resilience and strengthen urban management in the City of Kigali and the six secondary cities of Rwanda

Key Results

The project's key indicators are:

- People with improved access to basic services (disaggregated by gender and city)
- People benefiting from flood risk reduction and wetland rehabilitation interventions in the City of Kigali (disaggregated by gender)
- Cities with detailed area plans, incorporating the principles of sustainability, prepared and adopted

D. Project Description

Component 1: Support to the City of Kigali (US\$ 66.65 million, of which IDA US\$ 58.95 million and GEF-7 US\$ 7.7 million)

22. This component will support the comprehensive upgrading and flood risk management of four unplanned settlements, reduce flood risks at selected locations identified as flood hotspots in the city, pilot an integrated approach to sustainable wetland management and carry out a series of technical assistance (TA) to develop tools for evidence-based, integrated urban planning and provide institutional capacity development and support to the CoK. Specifically, Subcomponent 1a will finance: (i) urban upgrading, (ii) flood risk reduction infrastructure, (iii) development of a stormwater management master plan, and (iv) support for institutional and capacity development. Subcomponent 1b will finance: (i) rehabilitation works and other ecological restoration activities in the Gikondo wetland, (ii) an aerial Light Detecting and Ranging (LiDAR) survey, (iii) development of a GHG accounting and reporting framework for the CoK, and (iv) advocacy, knowledge exchange and partnerships for sustainable urbanization.

23. The priority settlements are close to the Gikondo Valley and Nyabugogo wetlands. Run-off from surrounding urban settlements significantly increases flood flows into these wetlands and introduces pollutants that affect downstream biota and water users, putting this sensitive ecosystem at risk and exposing the city to flood risk. An integrated approach to sustainable urban planning and flood risk management from the upper to the lower catchment and from the top to the bottom of the hills in Kigali will enhance biodiversity and ecosystem services reduce land degradation and mitigate greenhouse gas emissions. Component 1 will include the upgrading of drainage systems in the four unplanned settlements, the provision of green and gray infrastructure along the wetland buffer zone and other critical hotspots in Kigali, as well as wetland restoration.

Subcomponent 1a: Integrated urban planning for resilient, inclusive infrastructure delivery (IDA US\$ 55.05 million)

24. *Urban upgrading.* This subcomponent will support an integrated package of investments, including detailed designs, construction supervision and E&S instruments, in four unplanned settlements in the Nyarugenge, Kicukiro and Gasabo districts of Kigali. These settlements were prioritized for upgrading following a



study done by the Rwanda Housing Authority (RHA) in 2014 that identified them as having the worst living conditions. A comprehensive menu of infrastructure investments will be provided including access streets, street lighting, stormwater drainage, solid waste collection points, liquid waste management, onsite sanitation, water supply, community facilities, local market improvements, multi-purpose facilities and public spaces. These investments will be designed to climate-resilient standards (e.g. use of climate-proof, low-carbon, locally sourced surface and building materials, energy efficient street lighting, etc.) to the extent possible. For instance, improved drainage and surface material for roads and footpaths will reduce the accumulation of water in streets and intersections and improve pedestrian accessibility, mobility and safety. Further to this, low-impact infrastructure investments such as energy-efficient street lighting and use of locally-sourced and low-carbon building materials will be prioritized to reduce GHG emissions.²⁴ Design features that maximize benefits of the site (including orientation, shading, prevailing winds, and design for solar gain, among others) and enhance daylighting and natural ventilation through passive design, will also reduce the overall energy consumption in buildings.

25. *Building longer-term community resilience and reducing COVID-19 impacts and other future crises.* Infrastructure investments are expected to provide short-term employment opportunities through labor-intensive works and support essential economic activity through the provision of basic services such as water supply and sanitation and solid waste collection in the unplanned settlements. While construction of asphalt roads will engage some workers, the construction of drains, slope stabilization measures, pedestrian footpaths will be more labor-intensive. Other small-scale infrastructure development and maintenance activities that will be supported by the project include street/access paths cleaning, solid waste collection and management, and drainage cleaning and unclogging, among others. In addition, Community Upgrading Committees will be established at the cell level in each of the four settlements. Each committee will work with city officials at critical review and decision-making points to provide project oversight. Dedicated focus group discussions with women and other minority groups will be facilitated to ensure that selected investments are gender-inclusive and equitable. The committees will also serve as institutional mechanisms through which community needs are reflected in the investments and social safety net responses are better coordinated.

26. *Flood risk reduction interventions.* The project will finance the provision of flood risk reduction infrastructure in flood-prone areas located near the upgrading sites to mitigate erosion, reduce and manage storm water run-off along settlements, enhance wetland buffer zones, and address flood hotspots. Investments will include the rehabilitation of culverts, channels, and drains, as well as implementation of suitable nature-based solutions (NBS) to increase infiltration capacity, retain stormwater and reduce the speed of stormwater runoff. The supported NBS will provide additional climate change mitigation and adaptation benefits for the population of Kigali. Related to this, a stormwater management master plan (SWMMP) for CoK will be prepared to develop investment recommendations for a resilient stormwater management system for the city, including its wetlands, under different urban growth models and climate change scenarios. A system for monitoring rainfall, water level and discharge data, as well as a detailed digital terrain model (DTM) using an aerial Light Detection and Ranging (LiDAR) and photogrammetric survey, as well as aerial photographs of CoK's projected urban development area in the coming 20 years will be financed and used as input data (financed under Subcomponent 1b) to the SWMMP.

²⁴ Low-impact infrastructure reduces the impact on the environment. This includes infrastructure that uses less energy in its operation (e.g. LED street lighting), has lower amounts of embedded carbon in the materials (e.g. minimising the use of concrete), and reduces pollutions loads. Examples of the latter include green infrastructure and sustainable urban drainage systems that seek to replicate the natural hydrological cycle where possible.



27. *Support for institutional and capacity development given the anticipated effects of COVID-19 and future risks.* Subcomponent 1a will support institutional and capacity development (ICD) activities to strengthen the city's economic and spatial planning for efficient infrastructure and service provision in view of optimal allocation of space and resources. The project will focus its ICD support on implementing the city's recently updated master plan through the development of detailed area plans for 1-2 unplanned settlements and undertaking a feasibility study of sites and services schemes to manage urban growth particularly in the fringes of the city. Given the anticipated effects of COVID-19, these detailed area plans will develop and leverage place-based approaches, including: (i) highlighting the importance of sustainable medium to long term planning; (ii) exploring options to convert critical public spaces into centers for collection and distribution of basic needs such as food and water during emergencies; (iii) improved neighborhood planning with well-networked and resilient infrastructure; and (iv) managed urban density and appropriate land use mixes that support improved mobility and access to services. In alignment with the Government's long-term vision, all ICD activities will incorporate sustainability and integration principles.

Subcomponent 1b: Evidence-based, sustainable wetland management, flood risk management and greenhouse gas monitoring in the City of Kigali (US\$ 11.60 million, of which IDA US\$ 3.9 million and GEF-7 US\$ 7.7 million)

28. This subcomponent will support the design, implementation and monitoring of green infrastructure for wetland rehabilitation in the Gikondo valley. It will also support the design of wetland rehabilitation activities in the Rugenge, Rwintare and Nyabugogo wetlands. Integration of interventions in the buffer zone alongside the prioritized wetlands will further reduce flood risks and serve as a transitional zone between the built environment and wetland area. It will also mitigate the expected impact of increasing frequency of droughts. These two sites have been selected by CoK and generally, the Government as the first of a group of priority urban wetlands that will be protected and restored. These wetlands sit at the heart of CoK and set the basic shape around which the city will sustainably develop. The city's recently updated master plan recognizes that Kigali's green space has a primary role in forging sustainable development. Investments in the wetlands will be integrated with gray infrastructure elements from Sub-component 1a; stormwater drainage will be sensitively designed to exploit the attenuation and natural treatment capacities of the wetlands. Design of the rehabilitation activities will provide flexible opportunities for private sector investments in areas such as hospitality, tourism and recreation. TA will be provided to support the development of an innovative financing instrument to accelerate the implementation of urban planning solutions that center biodiversity, ecosystem services, and climate adaptation and mitigation.

29. To support integrated urban planning, a city-wide highly detailed topographic model will be produced using an aerial LiDAR survey. This will be a critical knowledge product that serves multiple purposes and sectors and will become an invaluable tool for integrated urban planning. A technical assistance will also support CoK to develop a framework for GHG accounting and framework, that will take into account transport, construction, energy, the environment, and solid waste management sectors. This framework will allow the estimation of GHG emission reductions from all the investments in the project, including low-carbon upgrading to wetland and solid waste management activities. The framework will pave the way to significant GHG emission reductions across multiple sectors. The outcomes of these activities are key knowledge products which can be disseminated nationally and beyond.

30. The project will also support advocacy, knowledge exchange and partnerships on sustainable urbanization, building upon the global SCIP. International knowledge is a key component of the GEF financing.



The global program will enable Rwanda to scale-up engagement from its secondary cities and national scale, to regional and global scales. Kigali will both learn from the SCIP and create knowledge that will be shared through the platform internationally. Knowledge generated in the project will be documented, and products will be created and shared to benefit cities across the country and internationally, and also to support the sustainability of outcomes. Project resources will be specifically allocated to allow urban policy experts to participate in global activities and forums, and the project will work with the lead agency in supporting knowledge exchange between SCIP cities. Using its experience in hosting the inaugural Africa Green Growth Forum and other pertinent initiatives including the vision to establish the Rwanda Center of Excellence for Green Urbanization, Kigali would seek to host international meetings for Sustainable Cities to demonstrate best practices and to promote knowledge exchange. Knowledge management on the project will connect to activities at the regional and global level through interactions with the overarching SCIP. This includes adding knowledge to the Global Library of City Solutions, enrollment in regional City Academies, and participation in SCIP forums and national dialogues.

Component 2: Support to Secondary Cities (IDA US\$ 80 million)

31. This component will support the provision of basic infrastructure in six secondary cities in two phases (Phases 3 and 4)²⁵ and provide technical assistance for planning, design and supervision. Under RUDP, the project also supported basic infrastructure in two phases (Phase 1 and 2) and the table below shows the sequencing of the various phases across the two projects.

Table 2: Phases of RUDP and RUDP II investments

RUDP		RUDP II	
Phase 1	Phase 2	Phase 3	Phase 4
Jul 2016 - Nov 2018	Ongoing – Jun 30, 2021	Oct 2020 - Sep 2022	Oct 2022 - Dec 2025

Subcomponent 2a: Infrastructure and service delivery in secondary cities (IDA US\$ 76 million)

32. Phase 3 investments include roads, drainage, pedestrian walkways and streetlighting in the six secondary cities. The ongoing RUDP has financed the preparation of feasibility studies, and preliminary designs for several of the proposed investments under Phase 3. These investments can therefore commence soon after project effectiveness. Phase 4 investments will focus on comprehensive upgrading in unplanned settlements prioritized by the secondary cities with potential provision of offsite infrastructure such as drainage and roads. Infrastructure that will be upgraded will improve and expand access to services and build community resilience. Upgraded roads will improve connectivity linking unplanned settlements to other areas of socioeconomic opportunities. Street lighting will improve human security through reduced crime. Phase 4 investments will be identified based on feasibility studies and detailed area plans to be developed under the project.²⁶

²⁵ There is no phasing in the other components of the project.

²⁶ Draft Terms of Reference (TOR) for feasibility studies and design have been prepared. However, before they can be finalized, the District Administrations (DAs) (guided by LODA) will carry out a selection process of the settlements and possible infrastructure interventions to support the respective priority upgrading programs. LODA will then prepare brief "Selection Reports" from each of the secondary cities listing the unplanned settlements in order of priority for intervention. A tentative list and basic data of unplanned settlements have been prepared but there is a need to verify this through a systematic and logical community engagement process.

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33. Given the anticipated scale of the unmet need and possible oversubscription, a formula has been developed to allocate funds to secondary cities (Table 3 below). This weighted formula factors in the number of households living in urban unplanned areas, growth rate of unplanned areas, urban population and growth rate, as well as the size of urban areas and growth rate. This formula will ensure that the funds are used to provide maximum impact to beneficiaries.

Table 3: Budget allocation formula for secondary cities

Cities	HHs in urban unplanned areas	HHs in urban unplanned area rate (%)	Urban population	Urban population growth rate (%)	Urban area (km ²)	Urban area growth rate (%)	Total rate (%)	Total Budget Allocated Per District
Huye	9.2	4.24	52,768	7.37	36.3	0.98	12.58	9,562,000
Muhanga	20.6	9.48	50,608	7.07	38	1.02	17.57	13,354,000
Musanze	6.4	2.95	102,082	14.26	77.3	2.08	19.28	14,654,000
Nyagatare	4.5	2.07	47,480	6.63	123	3.31	12.01	9,129,000
Rubavu	4.7	2.16	149,209	20.84	78.3	2.11	25.11	19,085,000
Rusizi	8.9	4.10	63,258	8.83	19	0.51	13.44	10,216,000
Total	54.3		465,405		371.9		100.0	76,000,000

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34. Infrastructure investments under Phases 3 and 4 will mitigate the impact of COVID-19. More than half of total project investments is expected to finance labor-intensive infrastructure in the six secondary cities, particularly the construction of drains, pedestrian walkways and footpaths. These investments are expected to provide short-term employment opportunities and support essential economic activity. In the long term, RUDP II infrastructure investments will address any outbreak of similar pandemic by improving access (easing crowding) and providing water and sanitation and solid waste collection in the upgraded settlements. Other small-scale infrastructure and maintenance works will also be supported by the project. Early actions to ensure that civil works can commence at the time of project effectiveness is underway. In addition, Community Upgrading Committees will be established in each settlement. Each committee will work with city officials at critical review and decision-making points to provide project oversight. Dedicated focus group discussions with women and other minority groups will be facilitated to ensure that selected investments are gender-inclusive and equitable. The committees will also serve as institutional mechanisms through which community needs are reflected in the investments and social safety net responses are better coordinated.

35. Investments in secondary cities will incorporate the principles of sustainability and integration, which are embedded in national policies. The Law Governing Urban Planning and Building in Rwanda (2012) regulates local development based on clear procedures to support sustainable, integral and inclusive development, institutional strengthening and development, decentralization, local economic development, citizen participation and accountability mechanisms.

36. This subcomponent will also finance feasibility studies, detailed design and construction supervision for Phase 3 and Phase 4 works. Construction supervision consultants will be procured by LODA and assist secondary cities to effectively supervise investment sub-projects and transfer skills to district technical staff.

Subcomponent 2b: Institutional capacity development of secondary cities (IDA US\$ 4 million)



37. Subcomponent 2b will support the establishment and functioning of the proposed CMOs. Once established, the project will help CMOs will prepare medium-term (five-year) and annual ICD plans for urban management in order to identify institutional/capacity constraints and bottlenecks to urban management, propose measures to address them, and spell out capacities to be built in order to improve on urban management. In addition, CMOs will receive support to implement the master plans for their respective secondary cities. Master plan implementation will be focused on the development of detailed area plans for one or more unplanned settlements in each city. In the detailed area plans, opportunities will be sought to integrate sustainability principles such as the provision of green space, the integration of non-motorized transport and the development of mixed-use communities. The establishment of CMOs is an important step towards cities becoming self-administered autonomous entities, capable of developing and implementing integrated plans.

Component 3: Institutional Capacity Development and Project Management (US\$ 11.42 million, of which IDA US\$ 11.05 million and GEF-7 US\$ 0.37 million)

38. This component will support institutional and capacity development at the national level, overall project coordination by MININFRA and project management costs across implementation agencies²⁷ at the national level, CoK and secondary cities.

Subcomponent 3a: Institutional capacity development at national level (IDA US\$ 3.80 million)

39. This subcomponent will support the ICD in the CoK and secondary cities through a set of TAs led by MININFRA in coordination with other relevant ministries including MINALOC and RHA, so as to effectively meet the institutional and capacity building needs in the CoK and secondary cities, while ensuring that all TAs are well aligned with the mandates and policies/strategies of the national government. First, this subcomponent will support secondary cities to establish CMOs and make them functional through collaboration with other development partners. Through this deliberative process, a roadmap for CMO development will be drafted with key urban functions to be carried out by CMOs in line with its urbanization policy. Related to this, technical support will be provided to develop a national urbanization strategy to monitor the performance and growth of urban areas in Rwanda, which includes setting up an urbanization monitoring information system. Second, a set of TAs is proposed at the national level under the broad umbrella of the housing policy to build on and expand investments in urban upgrading and sites and services under RUDP II. Finally, TA for the development of a national solid waste management strategy will be supported, as well as feasibility studies of disposal facilities in the secondary cities. Under this subcomponent, the project will seek to disseminate knowledge generated from city to city in Rwanda.

Subcomponent 3b: Project management (US\$ 7.62 million, of which IDA US\$ 7.25 million and GEF-7 US\$ 0.37 million)

40. Project management activities to be supported include fiduciary (financial management and procurement), environmental and social management, implementation supervision, contract management, monitoring and evaluation (M&E), and communication and citizen engagement. This component will finance

²⁷ Implementation agencies include MININFRA PCU, REMA SPIU, LODA SPIU, CoK KUUT, Huye PIU, Muhanga PIU, Musanze PIU, Nyagatare PIU, Rubavu PIU and Rusizi PIU.



project staffing in MININFRA, LODA, CoK, REMA, and PIUs at the district level. District PIUs are expected to be staffed with a project focal person (preferably with a background in urban planning or engineering) and an environmental and social specialist. They will be responsible for overall project coordination, environmental and social supervision and monitoring, M&E and facilitation and follow-up on all institutional and capacity building activities at the district levels. Support will be provided to assist the secondary city districts in preparing ESF instruments (ESMF, SEP, LMP, ESCP and RPF), and in the implementation and monitoring of these instruments.

Component 4: Contingency Emergency Response (US\$ 0)

41. In accordance with the World Bank Policy on Investment Project Financing dated November 10, 2017, Paragraph 12 and 13 for situations of urgent need of assistance, the project includes a project-specific Contingent Emergency Response Component (CERC). The CERC will allow for the rapid reallocation of project funds in the event of a natural or man-made crisis during implementation of the project to address eligible emergency needs under the conditions established in the Project Implementation Manual. This component will have no initial funding allocation but will draw resources from other expenditure categories at the time of its activation.

Climate Co-Benefits of Project Investments

42. **Infrastructure investments financed under Subcomponents 1a and 2a will have substantial climate change adaptation and mitigation co-benefits.** Specifically, all roads will be designed and constructed to consider changing climate conditions, thus ensuring connectivity and enabling communities to recover more rapidly to disruptions caused by climatic conditions. For instance, improved drainage and surface material for roads and footpaths will reduce the accumulation of water in streets and intersections thereby, ensuring road connectivity, pedestrian accessibility and stormwater management where increased stormwater flows due to changing land use patterns. In the dry seasons, the paved surface will also reduce dust and its consequences on the settlement population. Moreover, integration of NBS and other green infrastructure design principles and use of locally sourced, low-carbon materials will also provide positive climate adaptation and mitigation benefits. Pedestrian footpaths will promote a switch to alternative transportation and will enable pedestrian mobility, resulting in emission reductions from vehicular traffic. The project will also include energy-efficient street lighting, which is known to achieve significant reductions in GHG emissions while providing security for pedestrians and drivers at night. The project will promote the use of green energy, a shift from general trend of utilizing grid energy for streetlighting in Rwanda.

43. **Activities financed under Subcomponent 1b are expected to achieve global environmental benefits from decarbonization, improving biodiversity conservation and reducing land degradation.** The project will finance the rehabilitation and restoration of priority wetlands, which will protect the city and its residents against the increasing risk of extreme rainfall and floods. It will also protect existing soil carbon stocks which are otherwise threatened by encroachment and degradation and promote the sequestration of GHGs. Wetland restoration will safeguard carbon stocks and increase carbon sequestration, improve water quality, and support biodiversity through the creation of green spaces, recreational facilities and additional vegetation areas. Moreover, sustainable management practices in the wetland sites such as erosion control, bank protection and creation of buffer zones will reduce land degradation. It will also mitigate the expected impact of the increasing frequency of droughts.



44. **Technical assistance that strengthen institutional and capacity building in the CoK, secondary cities and national government (Subcomponents 1a, 1b, 2b and 3a) will also have significant climate co-benefits.** These subcomponents will support knowledge development for climate change and mainstream climate-related considerations into urban planning and settlement upgrading, which can significantly contribute to mitigating carbon emissions and avoiding climate-vulnerability lock-in and strengthening urban resilience to disaster risks and climate-related impacts. The development of a national SWM strategy, which when implemented, will set the solid waste sector on a low-carbon path.

Project Beneficiaries

45. The primary beneficiaries of RUDP II will be residents of the six participating secondary cities and unplanned settlements in CoK. Many unplanned settlements in Rwanda are on private land where tenure security is not an issue, but where a lack of planning and investment in infrastructure results in poor living conditions and increased vulnerability to flood risks. Residents in these settlements will have better access to basic infrastructure and services across a range of sub-sectors, including local roads, storm water drainage, sanitation, waste management (increased collection) and street lighting. For instance, during flood events, people will have access to safely walkable pathways and passable roads to be able to reach their homes, jobs, markets, health facilities, schools and other public amenities more easily than during current times of flooding – thereby minimizing disruption to people’s lives, properties and livelihoods due to flooding. They will also be at lower risk of vector- and water-borne diseases from standing water and have improved access to clean water, electricity and fuel. Most settlements are home to many female-headed households, thus special efforts will be made to promote gender equity and ensure that the project benefits women as well as men. In addition, residents will indirectly benefit from the cleaner wetlands, greening of urban areas and institutional development activities aimed at strengthening the planning and management capacity of the CoK, and districts to implement infrastructure upgrading interventions.

Citizen Engagement

46. Citizen engagement will be a vital aspect of the project’s success. Citizen engagement will be carried out by: (i) ensuring an intensive program of engagement with project stakeholders; (ii) deepening the consultation process which begins during project preparation; and (ii) monitoring social impact through annual stakeholder surveys. Community institutions established through Umuganda²⁸ will continue to play a key role in the project.

47. **The project will take a proactive approach to participatory planning and implementation.** Community upgrading committees will be formed in each of the settlements to be upgraded. Each committee will comprise five members representing the community, which includes a Chair, Vice-Chair, Secretary, women’s representative and youth representative. They will each work with city officials at critical review and decision-making points along the planning and implementation process, namely: (i) baseline survey and initial data collection; (ii) feasibility studies for infrastructure investments in the settlement and prioritization; (iii) preparation of preliminary and final community upgrading plans; (iv) preliminary and detailed design for infrastructure investments; (v) monthly site meetings with the construction supervision consultants and contractors; and (vi) review and validation of consultants’ reports and deliverables. The committees will

²⁸ Practice of cooperation and self-help in Rwanda. Through this process community level institutions are set up at the cell, sector and district levels that are inclusive of women, disabled and other vulnerable groups.



participate in open discussions with city officials, contractors and construction supervision consultants on feasibility studies of priority investments and engineering designs of selected investments. They will serve as an active link between the consultants and the broader community by facilitating information and focus group discussions with respective communities, gathering feedback when such technical documents are presented and helping translate them in the way that residents can understand. In addition, community upgrading plans will be prepared not only to set out the physical layout and details of the physical investments to be financed under the project, but also describe how community organizations and management arrangements will share responsibilities during and after the upgrading process, assigning responsibilities to relevant agencies, detailing both capital and O&M costs, and describing financing and cost recovery arrangements.

Gender Considerations

48. As in most developing countries, women and men in Rwanda experience urban areas differently due to their gender-based roles and responsibilities. The provision of basic services and infrastructure in unplanned settlements, and lack thereof, affects women more than men as most household responsibilities are still carried out by women. Women are the primary collectors, transporters and managers of domestic water and fuel, as well as the promoters of home and community sanitation activities. They also play a primary role in waste disposal and environmental management. Women in cities depend more heavily on public transport than men and use transport in different ways, including non-motorized transport. Thus, male and female priorities are often not the same for basic services such as urban housing, water and sanitation, solid waste management, and public transport.

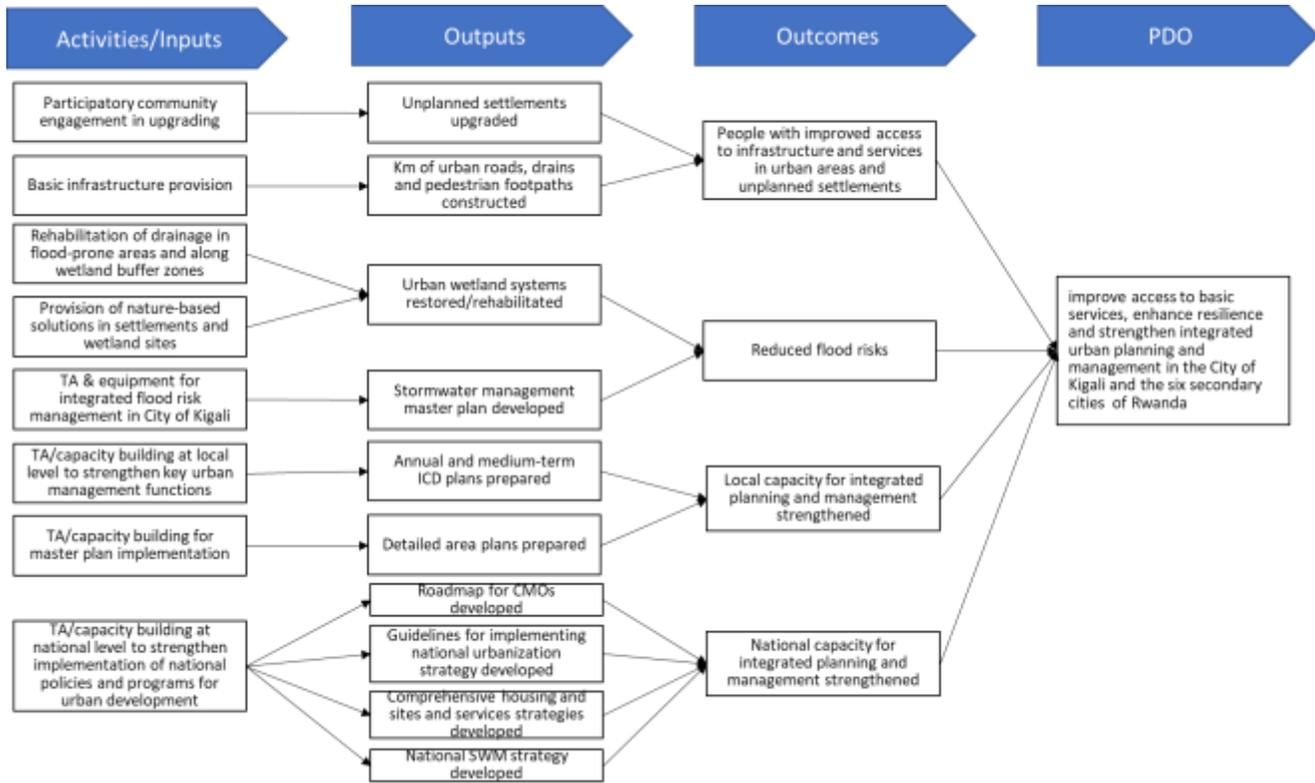
49. **RUDP II will therefore deepen the efforts made under the ongoing RUDP to ensure that women benefit fully from the project.** Under the proposed RUDP II, a major opportunity for introducing a gender-sensitive approach and concrete actions to address some of the identified gender gaps lies in the upgrading of unplanned settlements in the City of Kigali (Component 1a of US\$55.05 million) and in Secondary Cities (Component 2a of US\$76 million). Gender gaps that project activities can meaningfully address pertain mainly to voice and agency.

50. **For women's stronger voice and agency, the overall planning process for upgrading needs to be made more participatory first, which will then open opportunities to enlarge space for women to participate in and influence the process.** A stepwise approach is envisaged to strengthen the upgrading planning process and enhance women's voice and agency. When constituting the Community Upgrading Committees, either women or representative(s) of women in the settlement will be given leadership roles (i.e., Chair, Vice-Chair or Secretary) so that women become part of the decision-making process in the abovementioned review. In addition, the project will adhere to the Government's policy requiring membership of these committees to be at least 30% female. Furthermore, the project will regularly conduct focus group discussions to ensure that women are well represented and have an opportunity to influence the choice and location of infrastructure investments when prioritization of these infrastructure takes place under Subcomponents 1a and 2a. These focus groups will measure the level of satisfaction both with the process and the outcomes. More details on gender mainstreaming is provided in Annex 3.

51. Additionally, GEF-7 will support the City Advisory Committee and the Social Development Unit of CoK in the coordination and provision of advisory services on women's empowerment and participation in wetland rehabilitation activities. GEF-7 will actively promote inclusiveness and will finance monitoring and reporting on direct beneficiaries disaggregated by gender as co-benefit of GEF investments.



Results Chain



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Rationale for Bank Involvement and Role of Partners

52. **The Bank is uniquely placed to support Rwanda’s efforts to enhance access to infrastructure and basic services in urban areas.** First, it has developed considerable knowledge of what works and what does not through its support for the ongoing RUDP Phase 1. Second, the Bank has significant experience in supporting project implementing teams to identify opportunities for maximization of project benefits through robust stakeholder engagement processes, that have been known to prioritize community-led investments. Third, the Bank has global experience in upgrading urban infrastructure and unplanned settlements through numerous urban development projects. Fourth, the Bank can use its convening power to coordinate development partners (DPs)’ efforts to support urban development in Rwanda, where it takes the role of co-chairing the Urbanization and Rural Settlements Sector Working Group together with MININFRA. The sector working group is an established forum that will bring together the Government, Bank, and other donors to promote coordination and sectoral planning. Finally, this project complements other Bank initiatives to strengthen early warning services, which include the GEF-supported Landscape Approach to Forest Restoration and Conservation (LAFREC), a TA to support the uptake of public-private engagement in hydromet services, as well as ongoing policy dialogue to develop strategies for urban mobility and public transport.



53. **The Bank’s initial support to Rwanda’s urban strategies has also been a catalyst for attracting other DPs to the sector.** Recently, the Belgian Government through its development agency (Agence Belge de Développement or Enabel) agreed with GoR to provide EUR 20 million to support three urban areas (Rubavu, Musanze and Rwamagana) with a focus on constructing and extending strategic urban economic infrastructure. The UK Department for International Development (DFID) has also been preparing its Cities and Infrastructure for Growth program for Rwanda, a multi-country program aimed at harnessing the potential of cities to drive growth and create jobs by supporting city competitiveness and infrastructure governance reforms. The German Development Bank (*Kreditanstalt für Wiederaufbau* or KfW) is financing a Green Cities Project to develop an eco-district on the periphery of Kigali, incorporating environmental and climate requirements and low-cost housing. The Nordic Development Fund (NDF) is expected to provide EUR 6 million (EUR 1 million grant/ EUR 5 million loan) to the GoR through the MoE to complement IDA and GEF financing. The NDF financing proposal focuses on: (i) investment measures under the Rwampara Sub-catchment Management Plan to mitigate floods and improve water quality, (ii) flood mitigation investments in the buffer zone of the Gikondo wetland and Kibumba Valley, and (iii) support towards the Nyabugogo flood control project. Finally, the Bank’s continued support through the proposed project will scale up the achievements under RUDP and generate greater synergies with other DP support in promoting sustainable and productive urbanization in Rwanda.

54. **Financing from the Global Environmental Facility (GEF) is catalyzing investments in sustainable urbanization through its Sustainable Cities Impact Program (SCIP).** This program will enable: (i) the integration of the value of natural capital conservation into a multi-sectoral planning process; (ii) strengthened integration of planning processes across key ministries and sectors; and (iii) uptake of innovative approaches in urban development, including developing new financing instruments and business models. RUDP II is a fully integrated Child Project of the SCIP. The SCIP will create multiple global environmental benefits from decarbonization, improving biodiversity conservation and reducing land degradation, through promoting innovative business models for integrated solutions and investments at the city-level and strengthening the global platform for knowledge exchange and learning by cities on integrated urban sustainability planning and investments. The SCIP will support 24 cities in 9 countries, and Kigali is one of two African Cities. In Rwanda, GEF financing has mobilized US\$150 million in financing to support sustainable urbanization and has fundamentally transformed the nature of RUDP II. While Phase I was a US\$95 million investment which focused primarily on traditional urban upgrading, Phase II integrates sustainable urbanization through its program, with investments in environmentally sensitive upgrading, solid waste management, nature-based solutions and wetland rehabilitation, GHG accounting and mitigation, and institutional strengthening to support the implementation of integrated spatial plans. The project will therefore be an integral component of the SCIP, where it will showcase innovation and best practices in sustainable urbanization. The project aims to support innovation in financing, including by engaging the private sector in wetland restoration and solid waste management. Innovation is a key part of the GEF financing. More details on GEF financing are provided in Annex 4.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	TBD



Projects in Disputed Areas OP 7.60

No

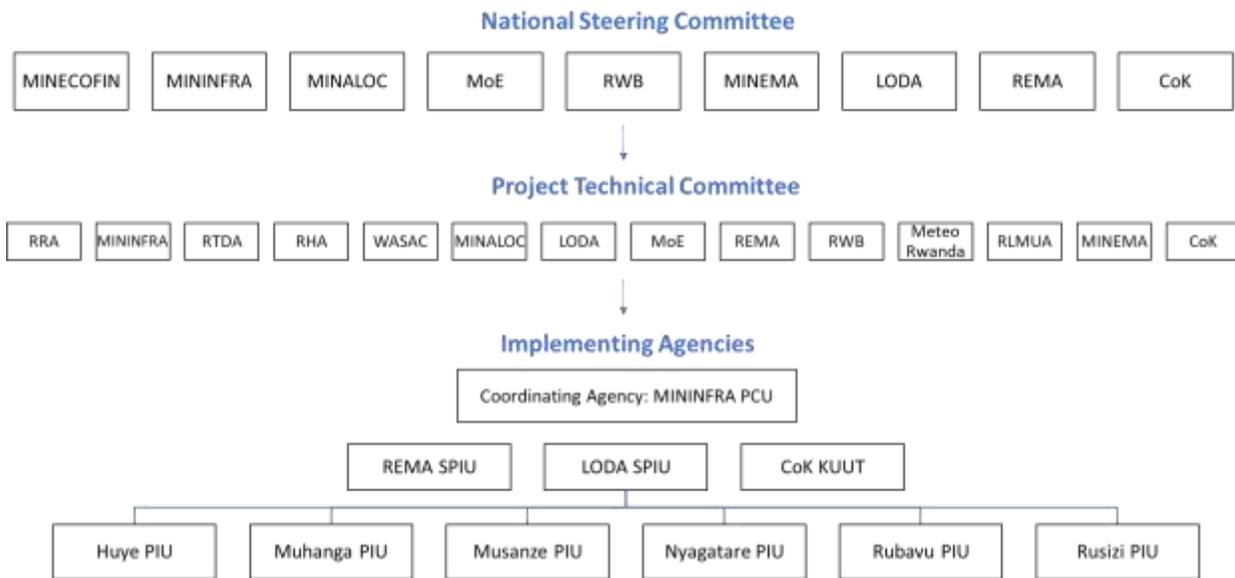
Summary of Assessment of Environmental and Social Risks and Impacts

E. Implementation

Institutional and Implementation Arrangements

55. The key lesson learned from RUDP Phase 1 implementation is the need to strengthen vertical and horizontal coordination, particularly between agencies at the national level, between national and sub-national governments, as well as between districts and their citizens. The proposed RUDP II will largely retain the existing implementation architecture of RUDP I but makes a few key additions, particularly the addition of MoE and REMA as its implementing agency (see Figure 3). The project will be implemented and coordinated at the national and district government levels with clear division of tasks and responsibilities given institutional mandates and existing legal provisions, regulations and guidelines. Annex 2 provides a breakdown of the implementing agencies by activity along with their institutional mandates and existing legal provisions.

Figure 3: Project coordination arrangements



56. **Project coordination.** Overall project coordination will remain the responsibility of the MININFRA PCU given its institutional mandate for policy and coordination on urbanization. The PCU will comprise of a Project Coordinator and five other staff, including PFM Specialist, M&E Specialist, Procurement Specialist, Environmental Specialist and Social Specialist. The RUDP II Project Coordinator will report to and act under the direction of the Urbanization, Human Settlement & Housing Development Division Manager. The main tasks of the PCU include:



(i) overall responsibility for day-to-day coordination and management, including direct support to the three implementing agencies; (ii) project management and implementation of activities under Component 3; (iii) overall project monitoring and evaluation; and (iv) progress reporting on a quarterly basis.

57. **National level roles and responsibilities.** The need for robust coordination is further underlined by the inclusion of an environmental management element under the project and thus the addition of MoE/REMA as key national stakeholders in the project. Urban programs are inherently multi-sectoral and will also require continuous involvement of technical agencies such as RTDA, WASAC, RHA and RLMUA. The project will therefore aim to institutionalize this coordination through a high-level National Steering Committee (NSC), comprising the Permanent Secretaries, Director General and City Manager of MININFRA, MINECOFIN, MINALOC, MoE, RWB, MINEMA, LODA, REMA and CoK, respectively. The NSC will discuss policy and strategic issues related to urbanization, as well as review and approve annual work plans and provide high-level project oversight and policy coordination. Members of the NSC are expected to meet on a semiannual basis each year and as needed. Furthermore, the project will also support closer coordination among the environmental and social specialists coordinating the ESIA/RAP preparations with the procurement teams preparing the tender documents so that the ESIA/ESMP and RAP are not disconnected with the obligations of contractors in the application of the ESIA prevention, mitigation and compensation measures during construction.

58. **Project Technical Committee.** The project will also form a Project Technical Committee (PTC) comprising the Department Heads, Division Managers and Project Coordinators of RRA, MININFRA, RTDA, RHA, WASAC, MINALOC, LODA, MoE, REMA, RWB, Meteo Rwanda, RLMUA and CoK, respectively. The PTC will provide technical advisory support to project contractors and consultants (through the Implementing Agencies), review implementation progress and handle day-to-day project coordination. The PTC is expected to meet on a quarterly basis each year and as needed; (iii) Implementing Agencies comprising project staff of MININFRA PCU, LODA SPIU, REMA SPIU, CoK KUUT and District PIUs will be responsible for day-to-day project implementation, including project reporting, M&E, procurement, supervision of works and implementation and monitoring of Environmental and Social Standards (ESS) instruments prepared under the project. Moreover, RWB, RLMUA and REMA will support implementation of flood risk management and wetland restoration interventions. WASAC will also be part of the PTC to provide technical input to the development of a national SWM strategy.

59. **District level roles and responsibilities.** Project implementation will be further decentralized by setting up project financed PIUs at the district level and within the CoK KUUT, staffed with a project focal person (preferably with a background in urban planning or engineering) and one E&S specialist. They will be responsible for overall project coordination (for Components 1 and 2), environmental and social management and supervision, M&E and facilitation and follow-up on all institutional and capacity building activities at the district and CoK levels.

Sustainability

60. Sustainability is a key consideration in the project. A lesson from RUDPI is that attention needs to be paid to post-project O&M of the infrastructure that has been constructed. Institutional strengthening will emphasize the ability of cities to maintain the infrastructure, implement the local development plans and identify financing mechanisms to maintain the infrastructure upgrading process. In addition, community upgrading plans will be prepared in consultation with the Community Upgrading Committees not only to set out the physical layout and



details of the physical investments to be financed under the project, but also describe how community organizations and management arrangements will share responsibilities during and after the upgrading process, assigning responsibilities to relevant agencies, detailing both capital and O&M costs, and describing financing and cost recovery arrangements.

61. The environmental and social management arrangements as required under the ESF and ESS1 are described in the ESMF and ESCP documents prepared. At LODA, environmental and social management functions will be coordinated by a Senior Environmental and Social Management Officer and will oversee the environmental and social activities in the six districts. Each district will have one expert working on environment and social issues. The City of Kigali and REMA will have one Environmental Specialist and one Social Specialist to support the implementation of the ESF instruments. At the district level, one professional will provide support to the district in both environmental and social management. The Environmental and Social Coordinator (ESC) will ensure coordination among all implementing agencies of the project particularly in the application of the ESF instruments prepared and agreed with the Bank, including: i) Environmental and Social Framework, ii) Labor Management Procedures (LMP), iii) Stakeholder Engagement Plan, iv) Resettlement Policy Framework and v) Environmental and Social Commitment Plan. The ESC will ensure timely training, and capacity building to staff and stakeholders involved in the implementation of the ESF instruments.

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ANNEX 1: Detailed Description of Project Activities

COUNTRY: Rwanda
Rwanda Urban Development Project II

Component 1: Support to the City of Kigali (US\$ 66.65 million, of which IDA US\$ 58.95 million and GEF-7 US\$ 7.7 million)

1. This component will support the implementation of integrated urban planning in the CoK. A series of TA will promote evidence-based, integrated urban planning through the development of tools, and provide institutional capacity development and support to the CoK. Comprehensive upgrading investments will be integrated with flood risk management measures in four unplanned settlements, and an integrated approach to sustainable wetland management will be piloted, leading to a reduction of flood risks at selected hotspots in the city. Four unplanned settlements were prioritized for upgrading following a study done by RHA in 2014 that identified them as having the worst living conditions. These settlements are close to the Gikondo Valley and the Nyabugogo wetlands. Run-off from surrounding urban settlements significantly increases flood flows into these wetlands and introduces pollutants that affect downstream biota and water users, putting this sensitive ecosystem at risk and exposing the city to flood risk. An integrated approach to sustainable urban planning and flood risk management from the upper to the lower catchment and from the top to the bottom of the hills in Kigali will enhance biodiversity and ecosystem services reduce land degradation and mitigate greenhouse gas emissions. This component will also include the upgrading of drainage systems in the four unplanned settlements, provision of green and gray infrastructure along the wetland buffer zone and other critical hotspots in Kigali, as well as wetland restoration. REMA has conducted a range of technical studies and identified the Gikondo Valley, the Kibumba Valley and a large part of the Nyabugogo wetland as priority sites²⁹. The Gatenga settlement, which is prioritized for urban upgrading, is located along the Gikondo wetland and provides an opportunity to integrate drainage upgrades with wetland restoration activities³⁰. These investments are expected to catalyze future investment from government, the private sector and donors, so as to accelerate progress on implementing Kigali's vision of a green, sustainable city.

Subcomponent 1a: Integrated urban planning for resilient, inclusive infrastructure delivery (IDA US\$ 55.05 million)

2. *Urban upgrading.* This subcomponent will support the urban upgrading of four unplanned settlements in three districts of Kigali. A comprehensive menu of infrastructure investments will be provided including access streets, street lighting, stormwater drainage, solid waste collection points, liquid waste management, onsite sanitation, water supply, community facilities, local market improvements, multi-purpose facilities and public spaces. These investments will be designed to climate-resilient standards (e.g. use of climate-proof, low-carbon, locally sourced surface and building materials, energy efficient street lighting, etc.) to the extent possible and will be selected through a transparent prioritization process with community residents. Feasibility studies for these unplanned settlements are completed. Detailed community facilitation, planning, design, contract packaging and bid document

²⁹ Studies include the development of detailed sub-catchment management plans for the Gikondo-Nyabugogo wetland system and a Wetland Master Plan for the City.

³⁰ Wetland restoration activities include: earthworks to re-shape the profile of the wetland, restoration of riparian areas, increase biodiversity natural habitats, construction of flow and erosion control structures, development of flood reduction features such as ponds for enhancing water treatment functions, increase infiltration and restore some of the original functions of the wetlands as well aesthetics and re-vegetation.



preparation is to be funded under the ongoing RUDP. Salient data on the four unplanned settlements is provided in Table 1.

Table 1: Unplanned settlements in Kigali prioritized under RUDP II

	Settlement	Sector	District	Area (ha)	No. of HH	Population	Comments
1	Mpazi	Gitega/ Kimisagara/ Rwezamenyo	Nyarugenge	137	8,237	34,817	Feasibility study done
2	Gatenga	Gatenga	Kicukiro	171	2,564	10,192	Feasibility study done
3	Nyagatovu	Kimironko	Gasabo	40	665	2,103	Feasibility study done
4	Nyabisindu	Remera	Gasabo	36.5	515	1,812	Feasibility study done
TOTAL				384.5	11,981	48,924	

3. Proposals would also endeavor to incorporate nature-based solutions to infrastructure provision. The investment menu will be expanded to include not only roads, pedestrian walkways, streetlights, storm water drainage, but also more comprehensive water supply and sanitation infrastructure and community facilities such as community centers, public parks and playgrounds and local market improvements, to enhance living conditions and improve basic infrastructure and service delivery. Elements to be included in the final packages of improvements would need to be prioritized and this will be a joint effort between CoK, Utility Organizations and the Community Upgrading Committees guided by the design consultants. In addition, tertiary infrastructure to be provided would need to ensure that any trunk infrastructure to support the tertiary infrastructure is in place, planned (by others) or provided in the sub-component or other project sub-components. The upgrading principles established in Kigali for infrastructure upgrading would generally be followed to ensure that proposals are fit for purpose and ensure that resettlement and hence expropriation costs are minimized.

4. *The proposed project will use differentiated approaches to urban upgrading to address the challenges experienced in RUDP.* While the government promotes upgrading as an important strategy to achieve its goals in the urbanization sector, there are some practical challenges to urban upgrading in the Rwandan context that need to be addressed as evidenced through the upgrading support provided to Agatare³¹ through the ongoing project. Key issues include the limited application of flexible standards for road carriageways, limited government budget for compensation as a result of resettlement and a persistent shortage of building materials. The upgrading sub-projects under RUDP II will address some of these challenges by incorporating lessons learned from the planning, design and implementation of the Agatare pilot and exploring different options of upgrading as below:

- First, RUDP II will adopt a highly participatory approach to planning and implementation of upgrading. Communities will review and prioritize investment options, and where necessary, propose appropriate standards/service levels for local level (tertiary and some secondary) infrastructure (e.g. types of roads for access, types of sanitation facilities, etc.) to reduce compensation and recurrent cost implications. People in unplanned settlements predominantly rely on NMT, and standards of pedestrian walkways are more flexible than the requirement of a 6m wide motor carriageway. The design consultant will provide the options justified by recurrent and expropriation cost implications. Community facilitation will be undertaken by elected committee members on a voluntary basis through existing imidugudu (village) level structures.

³¹ The ongoing RUDP has supported an upgrading pilot in Agatare, an unplanned settlement in the Nyarugenge District, covering 87 hectares and benefiting approximately 19,000 people. Investments have been made primarily in roads, drainage, walkways and streetlights.



- Second, a tailored approach would be used to prioritize infrastructure options for unplanned settlements given settlements' different characteristics and investment needs – i.e., options including the creation of public spaces, youth centers and sanitation support would be explored. In this context, a pilot housing program by the Swiss Agency for Development and Cooperation's Promoting Climate Responsive Building Material Production and Off-farm Employment in the Great Lakes Region (PROECCO) program (implemented by Skat Consulting in partnership with MININFRA, CoK and RHA) in the Mpazi settlement, whereby land parcels are consolidated and redeveloped will be considered for replication in some contexts. On a pooled land, SKAT developed a multi-story affordable apartment saving land for infrastructure and open spaces in the unplanned settlements. The rules for the upgradation of these plots include the elimination of expropriation and minimum density.³²
- Third, the GoR agreed to set aside counterpart funding for RUDP II in the amount of US\$ 15 million rather than setting an allocation on an annual basis. This would help address the issue of lack of compensation budget which has been a major cause of the delays in implementation of the Agatare pilot.
- Fourth, a fully staffed KUUT to support the implementation of the upgrading and storm water management works under RUDP II will be a pre-requisite for project appraisal. The KUUT was never established under the RUDP as originally planned and there has therefore been a shortage of staffing in the CoK throughout project implementation.
- Finally, upgrading in Kigali resulted in high costs for resettlement (one third of the cost of the civil works) due to the implementation of strict infrastructure standards in accessing streets in the upgrading sites. Government at all levels has realized that minimizing resettlement under the project will require a flexible approach to the application of infrastructure and construction standards and the implementation of master plans in both Kigali and the secondary cities.

5. *Flood risk reduction infrastructure.* The project will finance the provision of flood risk reduction infrastructure in flood-prone areas located near the upgrading sites. Investments will include the rehabilitation of culverts, channels, and drains, as well as implementation of suitable NBS to increase infiltration capacity, retain stormwater and reduce the speed of stormwater runoff. These interventions will demonstrate the benefit of integrating measures to protect the environment and building climate resilience through assessing and addressing flood risks comprehensively which will enhance the overall resilience of urban planning and infrastructure development³³.

³² In 2018, the project partnered with the City of Kigali to construct an 8-in-1 housing demonstration block (Phase 1 of 2) in the Kimisagara neighborhood. With the support of Nyarugenge District Authorities, the City identified 4 plots (with 3 existing structures) for consolidation and redevelopment. The rules for the upgradation of these plots were : (i) eliminate expropriation; (ii) design to respect Master Plan guidelines and achieve minimum density of 90 DU/ha; (iii) respect future road widths and alignments, building setbacks and 25m buffer from channel; (iv) construct cost-efficient housing with minimum costs respecting all codes/standards; (v) landowners to receive units in the new building equivalent to the value of their plots and structures (ranging from 6 million to 22 million); and (vi) the unclaimed units would be distributed to nearby owners to facilitate the acquisition of another group of plots to be consolidated and transformed according with the same principles.

³³ Pre-selection of stormwater management and flood risk reduction activities was carried out by the Catchments Task Force of the MoE with participation from the RWB, CoK, RTDA, Meteo Rwanda, RHA, MINEMA and REMA following an integrated approach that considers existing urban master and local development plans, including road development and other urban transport and greening objectives. Interventions to manage flood risk in the selected areas in Kigali will be confirmed after the hydrologic and hydrodynamic modeling of the Nyabugogo, Mulindi and Nyandungu catchments is carried out. This will serve as a basis for testing



6. *Technical assistance for stormwater management master plan and water level monitoring.* This TA will develop recommendations for a resilient stormwater management system for the city, including its wetlands, that will enable acceptable and optimum safety against flood risks for the current situation in Kigali, as well as for a 2040 scenario as the city continues to densify, expand and encounter various climate and disaster risks. Specific objectives will be to: (i) develop a cost-effective and prioritized investment plan for Kigali's stormwater management system for the next 20 or even 30 years; (ii) understand the functioning of the existing and planned urban stormwater management system and its wetlands with respect to flooding and develop a vision on how this system should be developed further; (iii) where possible and effective, integrate NBS in Kigali including wetland rehabilitation, as part of the storm water management system to improve the city's visual appearance and conserve water for people and for green infrastructure; (iv) develop various planning support tools, such as flood hazard and flood risk maps to support the planning of further urban development, and other planning inputs, such as space (corridors) that has to be reserved for the future extension of the storm water system; and (v) advise on best practices for the maintenance of a stormwater system and its financing, possibly including community participation, private funding and dedicated taxation. The project will also support the installation of 9 rainfall sensors and 10 hydrological stations with water level monitoring in the urban area and wetlands of Kigali and its immediate surroundings. Data on runoff hydrographs resulting from storm events in the urban area are necessary for establishing rainfall runoff models to be developed as part of the SWMMP study.

7. *Technical assistance for master plan implementation.* A set of TA interventions will complement the urban upgrading works in CoK to enhance the overall urban planning capacity of the CoK, and ensure technical quality and innovation, participatory nature of planning and implementation, as well as alignment with the recently updated Kigali Master Plan 2050:

- *Detailed area plans.* As a concrete action to implementing the master plan, RUDP II will support the CoK to develop detailed area plans for one or two pilot unplanned settlements that are in the next round of upgrading³⁴. Detailed area plans will be prepared based on the broader guidance of an approved master plan, providing detailed context and rationale for investment priorities based on population projections and anticipated needs. Given the anticipated effects of COVID-19, this will include conceptual proposals on land uses and local infrastructure and service provision with a public health focus including upgraded and affordable housing, water and sanitation, drainage systems, waste collection, access to energy, health service delivery, childcare and public education services, public spaces and mobility and transportation options to improve connectivity and access to other parts of the city. A clear set of guidance for implementing and coordinating detailed development activities will inform the prioritization of capital investments in the city.
- *Sites and services.* As a complement to the urban upgrading activities, the CoK wishes to pilot sites and services as a proactive approach to managing urban growth particularly in the fringes of the city. Sites and services schemes are community-led schemes whereby small landowners pool their land together for new development on greenfield sites. With its underlying mechanism of incremental development and land readjustment, such schemes are envisioned as low-income housing solutions in Rwanda and practiced as such in full or part. Building on the analytical work on low-income housing, a study will be conducted to assess the feasibility of implementing sites and services, which will review the adequacy of the zoning and building

various options for intervention. Further to this, flood risk management hybrid solutions to be considered for urban upgrading and flood prone areas will be based on recommendations from a landscape urban NBS study for Kigali.

³⁴ Four unplanned settlements to be supported under RUDP II are out of ten priority settlements.



regulations for incremental construction and examine the financial viability of a sites and services project in view of the target beneficiaries' affordability. Analysis could also include estimating the capacity and appetite for land value capture in plot servicing; identifying housing typologies that fill the current affordability gap; recommending regulatory reforms to ensure that planning, building and infrastructure standards are conducive to the supply of affordable housing in plot servicing; updating the current Technical Guidelines for plot servicing; street addressing and number; developing tools for spatial planning to support the growth of economic centers originating from the serviced areas; and producing communications and training/capacity building materials. Once found feasible and a framework for implementation is prepared, an actual pilot may be considered under the project.

8. *Support for institutional and capacity development.* The support to improving the city's urban planning and management functions will be provided based on CoK's own overall annual and medium-term capacity building plans. These plans will cover eligible ICD activities related to urban planning, capital investment planning and revenue and expenditure enhancement. Examples of eligible ICD activities include (i) TA to bring in specialist knowledge for specific urban management issues; (ii) consultants to assist in training and mentoring, to develop systems and procedures, and to undertake other activities aimed at strengthening urban management functions; (iii) funding to cover the costs of workshops, training, peer exchanges, and other activities; and (iv) modest material support to ensure that national and local stakeholders have access to the equipment and tools needed to undertake urban management and urban development activities.

Subcomponent 1b: Evidence-based, sustainable wetland management, flood risk management and greenhouse gas monitoring in the City of Kigali (US\$ 11.60 million, of which IDA US\$ 3.9 million and GEF-7 US\$ 7.7 million)

9. *Support to wetland rehabilitation.* This subcomponent will support the design, implementation and monitoring of green infrastructure for wetland rehabilitation in the Gikondo and Kibumba valleys. It will also support the design of wetland rehabilitation activities in the Rugenge, Rwintare and Nyabugogo wetlands. The Gikondo Valley has historically been largely utilized as an industrial site with notable concerns regarding soil contamination and pollution from point sources and poor sanitation practices. The Nyabugogo wetland has been subject to extensive encroachment by agriculture. It is located directly upstream of the confluence with the Mpazi River, a prominent flood hotspot in the City of Kigali. Following the development and approval of a wetland policy, infrastructure is currently in the process of being removed from the wetland, and within-wetland site owners are being compensated. The GoR has committed to remove all infrastructure in the wetland, including the removal of unwanted rubble and contaminated soils. These activities, along with the phasing out of some agricultural activities, will be undertaken in a structured manner, in line with the planned phasing of wetland rehabilitation activities.

10. Detailed designs and ESIs will be packaged into a single consultancy such that ESIs can inform the detailed designs. Whilst the scope and interventions associated with the rehabilitation plan are still to be finalized, anticipated interventions include: (i) Earthworks to re-shape the profile of the wetland and adjacent buffer zones; (ii) Construction of flow-control structures to direct flows through existing culverts and distribute flows back across the wetland; (iii) Construction of structures to prevent erosion and promote desirable flow conditions for water treatment; (iv) Development of flood attenuation features, to enhance the flood attenuation capacity of the wetland; (v) Excavation and establishment of ponds to enhance treatment functions and improve aesthetics; and (vi) Re-vegetation in line with desired treatment, aesthetic and flood attenuation functions in different zones of the wetland.



11. Monitoring systems for wetland health and rainfall and water levels are also supported under this subcomponent and will be undertaken from the inception of construction activities in order to track the ecological performance of the wetland system and to ensure that structural interventions are operating in line with expectations. Baseline information for the wetlands is being collected prior to project initiation and will be used to inform the selection of the pilot area and development of an advanced engineering concept. Monitoring activities will be finalized during the detailed planning phase but are expected to include ongoing water quality sampling, vegetation assessments and biodiversity surveys. Further wetland health monitoring will also be supported through investments in monitoring equipment, a monitoring strategy and the periodic reporting of results. The monitoring to be conducted will include indicators for biodiversity, soil carbon and water quality and land-use changes, in and around wetlands.

12. Regular removal of litter and sediment is likely to be required in rehabilitated wetland areas, as well as regular maintenance of vegetated areas. Flood damage to structural interventions and other rehabilitated wetland areas is also a concern, and funding may therefore need to be directed towards addressing damages associated with such events during project implementation. This will be financed by the project.

13. Technical assistance will be provided to support financial innovation to accelerate the implementation of urban planning solutions that center biodiversity, ecosystem services, and climate adaptation and mitigation. Design of the rehabilitation activities will provide flexible opportunities for private sector investments in areas such as hospitality, tourism and recreation. The CoK will be supported to develop an impact-driven financing and investment instrument for urban regeneration that will be piloted for the wetlands.

14. *LiDAR survey.* A LiDAR and photogrammetric survey will be undertaken to produce a base map of the City of Kigali. It will also serve as input data for the SWMMP study in Subcomponent 1a. This survey will cover the complete urbanized area of Kigali, as well as urban development areas planned for the coming 20 or even 30 years. It is critical that airborne flights be carried out in the dry season 2020 (July is highly recommended), as it is the month of the year with driest conditions. This will allow to generate a DTM which will show mostly dry drainage channels and wetlands, reducing the need for additional cross-section and wetland terrain surveys. In addition, aerial photographs will be produced during these flights. Besides flood management, the resulting DTM and aerial photographs will serve multiple purposes, including urban planning, land registration, road planning and design, and urban upgrading, among others.

15. *GHG accounting and reporting framework.* TA work will be carried out to develop an accounting and reporting framework for GHG emissions for the CoK, that will cover multiple sectors including solid waste, buildings, transport, industry, urban forestry and wetlands. The purpose is to provide a consistent framework for the City of Kigali to monitor progress in climate change mitigation activities using international standards beyond the life of the project. The framework will be used to report on the contribution of project investments including low-carbon upgrading and wetland interventions to climate mitigation, and these figures will be reported at Mid-Term Review and Project Completion.

16. *Advocacy, Knowledge Exchange and Partnerships.* The CoK will be an active member of GEF's SCIP. Kigali will both learn from the SCIP and create knowledge that will be shared through the platform internationally. In the project design and implementation, Kigali will benefit from GPSC knowledge resources which will be tailored to Rwanda's situation. Project resources will be specifically allocated to allow urban policy experts to participate in global activities and forums. Using its experience in hosting the inaugural Africa Green Growth Forum and other pertinent initiatives



including the vision to establish the Rwanda Center of Excellence for Green Urbanization, Kigali would seek to host international meetings for Sustainable Cities to demonstrate best practices and to promote knowledge exchange.

Component 2: Support to Secondary Cities (IDA US\$ 80 million)

17. This component will support the provision of basic infrastructure in secondary cities in two phases (Phases 3 and 4)³⁵ continuing the two-phased support under RUDP (Phase 1 and 2) to basic infrastructure, as well as institutional capacity development of secondary cities.

Subcomponent 2a: Infrastructure and service delivery in secondary cities (IDA US\$ 76 million)

18. Phase 3 investments include roads, drainage, pedestrian walkways and streetlighting in secondary cities. Some of these investments are part of the upgrading of unplanned settlements in Rubavu, Huye, Musanze and Muhanga districts. The ongoing RUDP financed the preparation of feasibility studies, and preliminary designs for a number of investments under Phase 3 in the six secondary cities. The preparation of detailed designs and bidding documents will proceed under RUDP II once the ESIA and RAPs for the investments have been prepared.

19. Phase 4 investments have yet to be identified; a comprehensive menu of upgrading investments includes recreational spaces, community centers, social halls, upgrading of markets, secondary roads and drains, footpaths, streetlighting, water supply, solid waste collection infrastructure, together with supporting trunk infrastructure (primary road and standalone drains). Stormwater management infrastructure to address flooding hotspots, especially in Rubavu, will also be prioritized. Unplanned settlements to be potentially supported under this phase have been identified in all six secondary cities. Selection reports will be prepared by the cities providing a long list of unplanned settlements ranked in order of priority based on specific prioritization criteria, list of potential investments and general data about each settlement.

20. Technical assistance for planning, design and supervision for both Phase 3 and Phase 4 works. Construction supervision consultants will be procured by LODA and assist secondary cities to effectively supervise investment sub-projects and transfer skills to district technical staff. Support will also be provided to assist the secondary city districts to prepare E&S documents, as well as in E&S implementation and monitoring. The preparation of designs will be coordinated to incorporate findings and recommendations of the ESIA and RAP. Preparation of safeguards tools for Phase 4 will commence once the subprojects are agreed upon and coordinated with the preparation of the engineering studies.

Subcomponent 2b: Institutional capacity development of secondary cities (IDA US\$ 4 million)

21. CMOs were established by the GoR as part of its decentralization agenda to support the development and expansion of the six secondary cities. Given this recent announcement, the GoR and districts will need time to appoint and budget for CMO staff. RUDP II capacity building support for the six CMOs will therefore need to be incremental and rolled out in a progressive fashion, as and when each of the CMOs is staffed (even partially) and operational. Once established, the project will assist each CMO to prepare annual and medium-term (5 years) ICD plans for urban management, which can include activities related to urban planning, capital investment planning, and operations and maintenance functions. The ICD plans will identify institutional/capacity constraints and bottlenecks to urban management in secondary cities, propose measures to address them, and spell out capacities to be built to take

³⁵ There is no phasing in the other components of the project.



necessary actions to improve on urban management. These plans will be based on the CMO Roadmap (to be prepared by GoR – see Subcomponent 3a) as CMOs will need support in order to strengthen their capacity to assist in the implementation and monitoring of the National Urban Policy and any related national strategies. Examples of eligible ICD activities include (i) technical assistance to bring in specialist knowledge for specific urban management issues; (ii) consultants to assist in training and mentoring, to develop systems and procedures, and to undertake other activities aimed at strengthening urban management functions; (iii) funding to cover the costs of workshops, training, peer exchanges, and other activities; and (iv) modest material support to ensure that national and local stakeholders have access to the equipment and tools needed to undertake urban management and urban development activities.

22. *Technical assistance for master plan implementation.* Once CMOs are established and operational, they will receive TA to prepare detailed area plans for 1-2 unplanned settlements in each city. Detailed area plans will be prepared based on the broader guidance of an approved master plan, providing detailed context and rationale for investment priorities based on population projections and anticipated needs. Given the anticipated effects of COVID-19, this will include conceptual proposals on land uses and local infrastructure and service provision with a public health focus including upgraded and affordable housing, water and sanitation, drainage systems, waste collection, access to energy, health service delivery, childcare and public education services, public spaces and mobility and transportation options to improve connectivity and access to other parts of the city. A clear set of guidance for implementing and coordinating detailed development activities will inform the prioritization of capital investments in the city.

Component 3: Institutional Capacity Development and Project Management (US\$ 11.42 million, of which IDA US\$ 11.05 million and GEF-7 US\$ 0.37 million)

23. This component will support ICD at the national level, overall project coordination by MININFRA and project management costs across implementation agencies³⁶ at the national level, CoK and secondary cities.

Subcomponent 3a: Institutional capacity development at national level (IDA US\$ 3.80 million)

24. *Technical assistance for developing a roadmap for CMOs* to help CMOs implement the National Urbanization Policy (NUP). Subnational implementation of the NUP will be an important element of the mandate for CMOs, which will therefore need to be capacitated to deliver on this. This activity will assist the GoR in drawing up (and rolling out) a roadmap for operationalizing CMOs in six districts. As newly established entities, a lot needs to be understood about CMOs by relevant actors (including WB and other development partners) in order to plan their support collectively and collaboratively. This will require coordination across (and beyond) the urbanization sector working group and the governance and decentralization sector working group. An iterative dialogue can be led by an inter-ministerial or inter-agency task force, led by MININFRA, with key stakeholders including MININFRA, MINALOC, MINECOFIN, DPs and districts. Consultants (or a firm) will be contracted to: (a) undertake a functional analysis and capacity needs assessment of CMOs; and (b) formulate a roadmap (covering a period of 5-10 years) defining CMOs' roles and responsibilities and detailing the ICD activities that will be required in order to fully operationalize CMOs. In the event that procurement of consultants is held up, the inter-ministerial task force will take direct charge of the roadmap process. In addition, following a thorough review of the NUP and related strategies, MININFRA will develop a NUP implementation and monitoring sub-national governments (CoK, districts and their CMOs) and (for the specific

³⁶ Implementation agencies include MININFRA PCU, REMA SPIU, LODA SPIU, CoK KUUT, Huye PIU, Muhanga PIU, Musanze PIU, Nyagatare PIU, Rubavu PIU and Rusizi PIU.



purposes of RUDP II) define an appropriate set of capacity building activities for CMOs. These activities (as and when they are identified) will need to be integrated into CMO ICD plans. The roadmap will need to be approved by the inter-ministerial task force and then made available to all districts and CMOs.

25. *Support to national urbanization* by: (i) developing guidance for monitoring the performance and growth of urban areas in Rwanda, and (ii) establishing an urbanization monitoring information system (UMIS). TA will be provided to develop guidelines for monitoring the performance and growth of urban areas in Rwanda. This will include a review of the country's NUP, National Land Use Plan (NLUP) and related policies, guidelines for implementing the NUP, and a UMIS to help establish a baseline for data collection and monitoring.

26. *Technical assistance for developing a comprehensive housing strategy* will be provided to strengthen the National Housing Policy and build on and expand investments in urban upgrading and sites and services under RUDP II. The National Housing Policy was endorsed in 2015 and needs an update in view of the evolution of the sector since then. To help inform this update, a study by RHA is underway to take stock of the various pilots/projects implemented in Rwanda, especially (but not only) the pilot upgrading of settlements in Agatare under RUDP and scaled-up upgrading under RUDP II. The stock-take will enable lessons to be learned from these experiences. This can then feed into the preparation of implementation guidelines for the National Urban Informal Settlements Upgrading Strategy, which can be used to guide upgrading efforts in secondary cities and other urban areas (e.g. satellite cities).

27. *Technical assistance for developing a sites and services strategy*. The current practice for sites and services (or plot servicing) for supplying developable land for residential purposes is relatively effective but needs to be improved both to improve spatial outcomes (reducing urban sprawl) and provide housing opportunities for all income groups. The project will therefore provide a series of TA interventions to develop a strategy for implementing sites and services schemes in Rwanda drawing on experience from the feasibility study led by CoK (see Subcomponent 1a). The TA will be grounded in the following activities: estimating the capacity and appetite for land value capture in plot servicing; identifying housing typologies that fill the current affordability gap; regulatory reforms to ensure that planning, building and infrastructure standards are conducive to the supply of affordable housing in plot servicing; the revision/updating of the current Technical Guidelines for plot servicing; the production of communications and training/capacity building materials; and the design and preparation of a demonstration project that will pilot the new approach to urban land supply. Feasibility studies of pilot sites in secondary cities will also be carried out.

28. *Technical assistance for developing a national solid waste management strategy and feasibility study for disposal facilities in secondary cities*. The TA will include, inter alia: (i) development of waste management principles and policies, including on environmental (primarily wetland) protection, (ii) assessment of the financial sustainability of Rwanda's solid waste management operations and infrastructure, and (iii) development of a Community Awareness Campaign and Separation-at-Source Pilot Initiative. In addition, the GoR requested support in preparing feasibility studies on waste disposal facilities in secondary cities during the second year of RUDP II implementation. These studies will also consider community awareness and water quality monitoring with respect to climate mitigation.

Subcomponent 3b: Project management (US\$ 7.72 million, of which IDA US\$ 7.25 million and GEF-7 US\$ 0.37 million)

29. Project management activities to be supported include fiduciary (FM and procurement), E&S management, implementation supervision, contract management, M&E and communication and citizen engagement. This



component will finance project staffing in MININFRA, LODA, CoK, REMA, and PIUs at the district level are expected to be staffed each with a project focal person (preferably with a background in urban planning or an engineer) and E&S specialist.

Component 4: Contingency Emergency Response (US\$ 0)

30. In accordance with the World Bank Policy on Investment Project Financing dated November 10, 2017, Paragraph 12 and 13 for situations of urgent need of assistance, the project includes a project-specific Contingent Emergency Response Component (CERC). The CERC will allow for the rapid reallocation of project funds in the event of a natural or man-made crisis during implementation of the project to address eligible emergency needs under the conditions established in the PIM. This component will have no initial funding allocation but will draw resources from other expenditure categories at the time of its activation.



ANNEX 2: Gender Mainstreaming

This annex explains how the project intends to address some of the gender gaps identified at the country and sector level, in view of the PDO and through activities planned under the project. Its implementation will be monitored by project monitoring and evaluation.

Analysis

1. Drawing from the existing research and analytical work conducted within and outside the Bank, this section provides a rapid assessment of gender gaps in human endowments, access to jobs, ownership and control of assets, and voice and agency. Gender gaps known at the country level are elaborated further with sector- and project-specific data. Gender gaps in urban areas will be more relevant to RUDP II and help identify gaps that are directly related to the PDO and project design.

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	Country level gaps	Sector level gaps	Project level gaps
Human endowments	<ul style="list-style-type: none"> Women’s participation in tertiary and technical-vocational education (Rwanda Systematic Country Diagnostics 2018) Gender-based violence (SCD 2018) 	<ul style="list-style-type: none"> Percentage of women in university is lower than that of men (1.7% versus 3.1%) nationally and in urban areas (6.1% versus 9.7%) according to EICV4 	<ul style="list-style-type: none"> Not available (N/A)
More and better jobs	<ul style="list-style-type: none"> Entrepreneurship and access to finance for women (SCD 2018) Women’s quality of work lower than men (SCD 2018)³⁷ 	<ul style="list-style-type: none"> Income from employment by sex in urban/rural area (Annex 1a) Percentage of individuals (18+) with bank account by sex and area of residence (Annex 1b) 	<ul style="list-style-type: none"> Un- and underemployment in unplanned areas in Kigali determined by gender and other factors³⁸ Gender gap in wages, with female-headed households particularly disadvantaged
Ownership and control of assets	<ul style="list-style-type: none"> Women’s land rights, particularly female-headed household³⁹ 	<ul style="list-style-type: none"> Right to sell or use land as collateral by urban/rural (Annex 2) 	<ul style="list-style-type: none"> N/A
Voice and agency	<ul style="list-style-type: none"> Women’s participation in leadership at the sub-national level (SCD 2018) Participation in the government planning and implementation process⁴⁰ 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> When prioritizing investments for the upgrading pilot in Agatare under RUDP, preferences and women and men differed

³⁷ Only 2.5 percent of women in Rwanda work as managers (0.1%), professionals (2.2%) and technical and associate professionals (0.2%) according to the Fifth Integrated Household Living Survey (EICV5) for 2016/17.

³⁸ Hitayezu et al. (2018) The dynamics of unplanned settlements in the City of Kigali. International Growth Centre.

³⁹ Ann-Sofie Isaksson (2015) Unequal Property Rights: A Study of Land Right Inequalities in Rwanda, Oxford Development Studies, 43:1, 60-83, DOI: 10.1080/13600818.2014.955466

⁴⁰ Never Again Rwanda (2018) Local Government Imihigo Process: Understanding the factors contributing to low participation.



2. **Although Rwanda’s commitment to gender equality is widely recognized, serious gaps remain and progress on these areas can be instrumental in helping Rwanda meet its development objectives.** Areas where further attention is needed include: stalled progress reducing fertility after prior impressive reductions; translating gains in human capital into greater quality of women’s economic participation, including occupational sex segregation and a large gender earnings gap; a continuing gender gap in secondary completion and in tertiary education and Technical and Vocational Education and Training (TVET); lower representation of women in decision-making positions below the national government level; gender-based violence (GBV); women’s greater share of domestic tasks; and smaller but continuing gaps in access to productive assets for agriculture and entrepreneurship. There are still challenges in eliminating GBV and violence against children in spite of the firm government commitment to promote gender equality. These are low reporting, limited evidence especially in cases of sexual violence/child defilement, teenage pregnancy and limited control over resources. These are linked to limited women’s economic empowerment, negative social norms and the culture of silence on GBV issues which hinders reporting of cases and curtails prevention and effective legal assistance efforts to victims of GBV.

3. In urban areas, gender gaps stand out in terms of *income disparity between men and women*. In fact, the gap is prominent country-wide and pervasive across all age-groups, level of education and type of occupation⁴¹. This gender gap should be given more attention in the World Bank’s country engagement in Rwanda. Its manifestation in the project context, namely in unplanned settlements, is that female-headed households are worse off in terms of employment status and income level. Other country-wide gender gaps also persist in urban areas. Access to finance as measured by *ownership of a bank account* is 38.1% for men and 22.4% for women in Rwanda; and 48.3% for men and 30.3% for women in urban areas⁴². Likewise, *the right to sell or use land as collateral* is higher for men (80.2%) than for women (77.4%) nationally as well as in urban areas: 62.3% for men and 58.6% for women.⁴³

Actions

4. Based on the analysis above, RUDP II embraces the recommendation by Hitayezu et al. (2018:87), underlining “the importance of adopting a gender-sensitive approach to city planning, focused in particular on single – and female – headed households, which on almost all the indicators we present appear to be the most vulnerable sub-group.”

5. Under RUDP II, a major opportunity for introducing a participatory, gender-sensitive approach to address some of the identified gender gaps lies in the upgrading of unplanned settlements in the City of Kigali (Component 1a of US\$55.05 million) and in Secondary Cities (Component 2a of US\$76 million). Gender gaps that project activities can meaningfully address pertain to voice and agency. Proposed actions under RUDP II are summarized below.

Gender gaps	Proposed actions
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⁴¹ This refers to the average monthly cash income from employment at main job by sex, age group, level of education, occupation group and urban/rural area, RLFS 2018

⁴² This refers to the percentage of individuals (18+) with bank account by sex, and Area of residence and consumption quintile (EICV5, EICV4)

⁴³ This refers to the percentage of households’ head with the right to sell or use land as collateral by urban/rural, province and consumption quintile (EICV5). In comparison, percentage of households with the loan from formal sources of credit using houses as collateral is similar between male and female headed households (17.6% and 16.7%) nationally and even higher for female-headed households in urban areas (31.6% versus 40.6%).



More and better jobs/access to finance	Women’s ownership of a bank account is lower than men (both nationally and in urban areas)	<ul style="list-style-type: none"> • Create a joint-bank account for wife and husband in case of compensation for land acquisition. This is the continuation of the current practice under RUDP whereby the City of Kigali compensated people affected by the upgrading pilot in Agatare through cash transfer to a joint account.
Ownership and control of assets	Women’s right to sell or use land as a collateral is lower than men	<ul style="list-style-type: none"> • If land title is re-issued (due to the change in the land size), ensure that a joint title is issued
Voice and agency	Low participation in the planning process	<ul style="list-style-type: none"> • Include a gender-focal person in the Kigali Urban Upgrading Team (KUUT) • Form an upgrading committee in each unplanned settlement consisting of village/cell leaders and representatives for women, youth, people with disability, etc. • Have the committee participate in review and decision making of the upgrading process, including women representative in leadership positions • Conduct separate focus group discussions with women during the upgrading process

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6. For women’s stronger voice and agency, the overall planning process for upgrading needs to be made more participatory first, which will then open opportunities to enlarge space for women to participate in and influence the process. The team proposes a stepwise approach to strengthen the upgrading planning process and enhance women’s voice and agency:

7. **Establish an upgrading committee** in each settlement consisting of local leaders (cell and sector leaders), women representatives and other relevant members (e.g. from Joint Action Development Forum). The committee will work with the City officials at important review and decision-making points along the planning and implementation process, namely: (a) Inception, intermediate and final report for an area planning; (b) Feasibility study for infrastructure investments in the settlement and prioritization; (c) Preliminary and/or detailed design for infrastructure investments; and (d) Monthly site meetings with the construction supervision consultants and contractors.

8. **Promote women as leaders of the upgrading committee.** When constituting the committee, either women or representative(s) of women in the settlement will be given leadership roles (i.e., Chairperson, Deputy or Secretary) so that women become part of the decision-making process in the abovementioned review. In addition, the project will adhere to the Government’s policy requiring membership of these committees to be at least 30% female.

9. **Conduct separate focus group discussion with women.** The KUUT will have a gender focal person/specialist who will work with women in unplanned settlements to ensure they voice themselves out and/or their voices are heard. One effective way is to conduct a separate focus group discussion with women on important issues (e.g. prioritization of investments).

10. RUDP II proposes several ways to elaborate and implement the abovementioned approach:

- i. The Guidance Note for Upgrading of Unplanned Settlements in Urban Areas of Rwandan Cities (2015) was prepared for RUDP. The Note can be revised to include a section detailing the participatory planning process and can be used as a practical manual for the City of Kigali officials to plan and implement upgrading. It can also elaborate the roles and responsibilities of the abovementioned upgrading committee.



- ii. The section detailing the participatory planning process in the Guidance Note, including gender mainstreaming, will also be included in the PIM. The project team will be required to report on this, including women's participation in the process and their role. Project progress report templates in the PIM will include a specific section to report on this.



ANNEX 3: GEF-7 Child Project Description

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1. **The Sustainable Cities Impact Program (SCIP) is a Global Environmental Facility program that will support 24 cities in 9 countries, including Kigali.** The Global Environmental Facility (GEF) has a mission to safeguard the environment and create global environmental benefits. Led by the United Nations Environment Program, the SCIP will receive \$160 million of financing through a GEF grant and has over \$1.6 billion in confirmed co-financing. Rwanda will receive \$8.07 million to support investment in sustainable urban development. At the global level, the SCIP will create multiple global environmental benefits from decarbonization, improving biodiversity and reducing land degradation.
2. **RUDP II is a child project under the SCIP, which integrates GEF principles in its design.** RUDP II will contribute to the SCIP, by building momentum, raising ambition, and implementing integrated solutions that result in new behavior. A reinforcing circle emerges, where capacity development informs the implementation of more innovative, inclusive, gender sensitive, sustainable and integrated projects, which in turn set an example for replication in Kigali, Rwanda and beyond.
3. **In Rwanda, GEF financing has catalyzed \$150 million for sustainable urban development.** The GEF financing has fundamentally transformed the nature of RUDP II. While Phase I was a \$95 million investment which focused primarily on traditional slum upgrading, Phase II is a \$ 160 million investment that focuses on integrated urban planning. New investments are in: (i) solid waste management; (ii) flood risk management; (iii) nature-based solutions; (iv) wetland rehabilitation and protection; (v) GHG accounting and mitigation; and (vi) innovative financing to promote private sector investment in sustainable urban development.
4. **Rwanda is taking a lead on sustainable growth in Africa.** Africa is the most rapidly urbanizing region in the world. This urban growth comes with an increase in unplanned settlements with limited services, resulting in widespread environmental degradation and leaving its inhabitants vulnerable to climate change. Rwanda’s urban population has doubled since 2002, currently standing at 18.4%. The Government has set a target to reach 35% by 2024. The GoR is taking a lead among African nations in green growth and sustainable urbanization. For example, in 2018, Kigali hosted the first Africa Green Growth Forum to showcase innovation and its desire to set the trend in sustainable urbanization. RUDP II and GEF investments will serve as a beacon for and exemplar of sustainable urbanization for Africa.
5. **The SCIP consists of four components:** (i) Sustainable and integrated urban planning and policy reform; (ii) Sustainable integrated low carbon, resilient, conservation or land restoration investments in cities; (iii) Innovative financing and scaling-up; and (iv) Advocacy, knowledge exchange, capacity building, and partnerships. These components are directly tied to the RUDP II Components. GEF financing is provided to complement RUDP II in supporting a series of technical assistance and investments to achieve sustainable urbanization. Details are summarized in the table below.

Table 1: SCIP components and link to RUDP II activities

SCIP Components	Component Type	Expected Outcomes	RUDP II Activities
(i) Sustainable and integrated	Technical Assistance	Improved capacities and enabling conditions to	(a) Institutional and capacity development (ICD) plan along with the establishment of an urban upgrading unit.



<p>urban planning and policy reform</p>		<p>identify, design and implement integrated low-carbon solutions.</p> <p>Strengthened urban management institutions and capacity in the CoK.</p> <p>Enhanced technical capacity at the national level.</p> <p>Long-term strategic planning on a national plan for municipal solid waste management</p>	<p>(b) City Management Office (CMO) Roadmap and implementation of urbanization policy</p> <p>(c) Support to urban institutional capacity development at the local level to implement national housing policy</p> <p>(d) TA to support planning, design and supervision.</p> <p>(e) TA to support development of City Management Offices and implementation of master plans.</p> <p>(f) Creation of a high-resolution LiDAR dataset for CoK.</p> <p>(g) Development of a stormwater masterplan, including hydrological and economic modelling.</p> <p>(h) TA for National Integrated Waste Management Strategy</p> <p>(i) GHG accounting and reporting framework</p>
<p>(ii) Sustainable integrated low carbon, resilient, conservation or land restoration investments in cities</p>	<p>Investment</p>	<p>Enhanced livable and resilient settlements, and access to services.</p> <p>Reduced flood risk and damages in flood hotspots.</p> <p>Wetland restoration, and enhanced knowledge and monitoring.</p>	<p>(a) Urban upgrading in priority unplanned settlements, with a focus on access streets, footpaths, side drains and street lighting, and improved sanitation, incorporating low-carbon and low-impact approaches.</p> <p>(b) Flood risk management infrastructure investments incorporating green and grey infrastructure to protect flood hotspots.</p> <p>(c) Kigali wetland management and restoration for a priority wetland safeguarding carbon stocks and increased sequestration.</p> <p>(d) Wetland health monitoring: Wetland Monitoring Strategy and Periodic Wetland Monitoring Reports, including environmental quality, hydrology, and biodiversity.</p>
<p>(iii) Innovative financing and scaling-up</p>	<p>Technical Assistance</p>	<p>Support financial innovation to accelerate the implementation of integrated urban planning</p>	<p>(a) Technical Assistance will support the CoK to develop impact-driven financing and investment instrument for urban regeneration.</p>
<p>(iv) Advocacy, knowledge exchange, capacity building, and partnerships</p>	<p>Technical Assistance</p>	<p>Strengthened national and international networks of practitioners</p>	<p>(a) Knowledge products on best practice to be shared nationally and internationally</p> <p>(b) Participation in GEF-7 Sustainable Cities events</p>

6. RUDP II is aligned with GEF focal areas of climate change mitigation, biodiversity and land degradation.



- i. **Greenhouse gas emission reductions.** GHG emissions are expected to derive from three areas. First, investments will protect existing carbon stocks in the wetlands, and increase sequestration. Second, reductions will arise from the implementation of a national solid waste management strategy, by reducing organic waste going to landfill and instead promoting a waste to energy program. Third, reductions are built into upgrading investments, which will use low-energy solutions such as LED and solar lighting. The creation of dense, mixed-use neighborhoods with pedestrian walkways will boost NMT. Last, the project will use low-impact materials and approaches, such as NBS for urban stormwater management.
 - ii. **Reduced land degradation.** RUDP II will directly upgrade settlements to introduce improved drainage and nature-based solutions to reduce erosion and land-slide risk. These investments directly contribute to Kigali's strategy of tackling desertification.
 - iii. **Improved biodiversity.** Biodiversity in the wetlands has reduced, and continues to be threatened by agriculture, pollution from industry, the introduction of exotic species, and habitat fragmentation. Despite this, the wetlands retain an important biodiversity, which includes species of birds such as the Madagascar Pond Heron, the Papyrus Gonolek, and the White-winged Scrub-warbler. Other important species include amphibians, lizards, and insects. The project will support biodiversity through stopping human activities that degrade the wetlands, removing structures, reducing inflows of polluted waters, restoring waterflows and bodies of water, and re-establishing plants and planting trees.
7. **RUDP II is aligned with national strategies and policies.** Sustainable urban development is a national priority set out in the Vision 2020 and Vision 2050 strategies. These strategies are implemented through five-year plans, the most recent of which (NST1) includes the acceleration of sustainable urbanization as a priority. The overarching NUP was agreed in 2015 and is centered on the need for sustainable urban development. Finally, the GoR is a committed signatory to all the Multilateral Environment Agreements (MEA) for which GEF has its mandate as the funding mechanism.
8. **Rationale for GEF financing.** Rwanda has found it difficult to access financing, particularly from the private sector, in order to achieve GEBs. GEF financing is needed to stimulate innovative investments that address environmental threats and sustainable urbanization. GEF financing will enable: (i) the integration of the value of natural capital conservation into a multi-sectoral planning process (ii) strengthened integrated planning processes; and (iii) the uptake of innovative approaches in solid waste management.
9. **Theory of change.** The project's theory of change reflects the need for: (i) improved processes to integrate ecosystem values into urban planning, strengthened technical capacity, and an enhanced knowledge base; (ii) physical investments in integrated "gray" and "green" infrastructure; (iii) innovative approaches to financing and scaling investments; and (iv) the national (and international) urban agenda to be shaped by sustainable approaches. The project components reflect catalytic investments that will yield multiple global environmental benefits.
10. **Attracting private sector financing and participation.** In Kigali, there is a great untapped potential for the private sector to contribute to the financing of wetland management and solid waste management. There are many examples of the private sector willing to invest to reap the benefits in areas such as eco-tourism, recreation, hospitality, and to benefit from increased property values. The project will develop innovative mechanisms for the private sector to invest. Mechanisms such as concessions for establishments or use fees will be evaluated for their



feasibility to support environmental management improvements. Existing stakeholder forums and knowledge exchange events will be used to promote these mechanisms for scaling up.

11. **Advocacy, knowledge exchange and partnerships.** The Government, spearheaded by MoE, is taking the lead on sustainable development in Africa. Kigali is already a member of several networks such as the 100 Resilient Cities and ICLEI (also known as Local Governments for Sustainability). These platforms will enable Rwanda to scale-up engagement regionally and internationally. The Government and CoK are committed to using this project to promote its sustainable urbanization agenda across Rwanda. Kigali will both learn from SCIP and create knowledge that will be shared through the platform. In the project design and implementation, Kigali will benefit from GPSC knowledge resources which will be tailored to Rwanda's situation. Project resources will be specifically allocated to allow urban policy experts to participate in global activities and forums. Using its experience in hosting the Africa Green Growth Forum, Kigali will seek to host international meetings to demonstrate best practices and promote knowledge exchange. Knowledge generated by the project will be managed to be a resource for public and private sector partners working on sustainable urbanization. Specific knowledge projects that include the detailed topographic survey and the framework for greenhouse gas accounting and reporting will be made available, to inform additional interventions in other sectors, and to develop skills and development beyond the lifetime of the project. The PIU will be responsible for overall knowledge management, but knowledge will be disseminated through the National Steering Committee. Activities that include study tours will ensure knowledge is shared between the City of Kigali and stakeholders in the secondary cities. Therefore, as Rwanda has embarked upon a drive towards integrated, sustainable and resilient urbanization, knowledge generated from the project will ensure the sustainability of the project's outcomes.

12. **Stakeholder engagement.** Stakeholder engagement in Rwanda is directed through the Joint Action Development Forum, which has the mandate to engage citizens, the private sector, development partners and civil society. In urban development, participatory planning is embedded in the NUP. The revised Kigali Master Plan is the result of extensive consultations, which signaled that waste management, wetlands management, flood management and drainage and improved hydro-meteorological forecasting are priorities. Continued engagement is facilitated by the City Advisory Committee, which meets periodically. The NUP states the need to promote female participation in urban planning. The National Women's Council is the established forum for discussions on gender and social matters. Groups such as the Rwanda Women's Network and the Nyamirambo Women's Center were expressly consulted during the revision of Kigali's master plan. A practical example of the integration of gender in planning has been the launch of the Kigali Safe City Program.

13. **Results and monitoring.** The Project has two related results frameworks, first the Results Framework presented in the PAD, and the Results Framework reported to the GEF. GEF's Approved Program Framework Document stipulates six core indicators, of which three are addressed through RUDP II as follows (Indicator 3, 6, and 11). Furthermore, the Global Project has identified 11 indicators on which it will report. The table below provides a summary of four global indicators and three core indicators that RUDP II will contribute to the global project.

14. The project will report two PDO indicators (a, b) to the World Bank as described in Section VI of the PAD, and two intermediate indicators (c, d):

- i. People benefitting from wetland rehabilitation interventions in City of Kigali



- ii. Cities with detailed area plans, incorporating principles of sustainability, prepared and adopted (number)
- iii. Land restored/rehabilitated (Hectares)
- iv. Greenhouse gas accounting and reporting framework developed for the City Kigali (Yes/No)

15. While the first three indicators above are directly linked to the Global Project’s indicators, GHG emissions mitigated will not be reported to the Bank periodically. This is due to the GEF’s GHG mitigation accounting methodology which differs from the Bank’s approach. Under GEF-7’s updated results architecture, GHG emissions mitigated can be calculated over the lifetime of the investment, which is taken as 20 years after completion⁴⁴. Bank reporting should measure impacts during the project implementation, where GHG emissions are expected to be relatively limited. However, estimates of the potential GHG emissions that will be mitigated will be reported at Mid-Term Review and Project Completion.

Table 2: GEF indicators to which the project will contribute at the Global and Child Project levels (Note: the numbering of indicators differs between the global project and GEF’s core indicators).

Project Indicators		Unit of Measurement	Target
Global Project indicators			
2	Cities with improved evidence-based, sustainable, inclusive, integrated plans and processes	Number	1 (CoK)
3	Sustainable, integrated, low-carbon, resilient, conservation or land restoration demonstrations and/or investments (including leveraged)	Amount (in US\$)	TBD
6	Cities that have initiated innovative financial mechanisms and/or business models for scaling-up sustainable urban solutions	Number	1 (CoK)
9	Urban practitioners that used the knowledge acquired from the training or materials from the SCIP Global Platform (disaggregated by gender)	Number	TBD
Child Project Level – Core Indicators			
3	Land restored	Hectares	163.5
6	Greenhouse gas emissions mitigated	Metric tons of CO2e	91,743 (direct during investment lifetime) and 2,882,805 (indirect)
11	Direct beneficiaries as co-benefit of GEF investment (disaggregated by gender)	Number	251,000 (125,500 women and 125,500 men)

An explanation of the estimate of the values for the three core GEF indicators are as follows:

16. **Area of land restored (Core Indicator 3).** An estimate of the area of land that will be restored was taken from a survey of the priority wetlands in the City of Kigali. This survey was produced by GoR. The total is the area of wetlands that will be rehabilitated in Gikondo.

⁴⁴GEF (2018). “Updated Results Architecture for GEF-7”. Document GEF/C.54/11/Rev.02. 54th GEF Council Meeting, June 24–26, 2018. Da Nang, Viet Nam. Agenda Item 13. Available at <https://www.thegef.org/council-meeting-documents/updated-results-architecture-gef-7-0>

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17. **Greenhouse Gas Emissions (Core indicator 6).** GHG emissions mitigated under this project arise from two sources: (i) Lifetime direct project GHG emissions mitigated are based on the carbon stocks in the wetlands that will be protected over a 20-year period across all target wetlands, and the increase in sequestration that will take place over the life of the project. (ii) Lifetime indirect GHG emissions mitigated are based on the GHG emissions that will be reduced through the implementation of a national SWM strategy.

- i. Lifetime direct project GHG emissions mitigated are estimated using maps of all the priority wetlands areas, with information on land cover. Literature values were used to estimate the carbon stock above and below ground as biomass and organic components of the soil. Technical literature was used to estimate the proportion of these carbon stocks that would be saved by measures to protect the wetlands over a period of 20 years. Sequestration potential was then estimated by assessing the total area of wetland that could benefit from the planting of additional biomass in areas covered by infrastructure and residential buildings. Direct GHG emission reductions from the wetlands was calculated on the basis of the target wetlands (Gikondo). Emission reductions from the remaining priority wetland sites will contribute to the indirect GHG emission reductions. Urban upgrading will also contribute to climate mitigation through energy-efficient lighting and materials in construction, although this value has not been incorporated in the total target. The total estimate of direct GHG emissions mitigated was estimated at 91,743 tonnes CO₂e over a period of 20 years from the completion of the project.
- ii. The estimates of indirect GHG emissions mitigated was estimated from the protection and rehabilitation of the remaining priority wetland sites (see the previous paragraph), and the impact of the implementation of a SWM strategy, focused on the City of Kigali. The indirect emissions from the wetland sites were estimated as 652,805 tonnes CO₂e. For SWM, analysis was undertaken of the growth in the production of waste. Calculations of emission reductions were based on the generation of energy from waste, with an emphasis on the separation and treatment of recycling materials, and the digestion of organic waste for biogas production. This figure is estimated at 2,230,000 tonnes CO₂e. The combined estimate of indirect GHG emission reductions was estimated as 2,888,805 tonnes CO₂e.

18. **Direct beneficiaries as co-benefit of GEF investment (Core Indicator 11).** While the number of beneficiaries from the project might indirectly be estimated to be at least as large as the population of Kigali and its secondary cities, a conservative estimate has been made to identify direct beneficiaries. To estimate the number of beneficiaries from the upgrading the project sites in CoK, which is estimated at 133,387. To estimate the number of beneficiaries from interventions in the wetlands, the population living within a 500m distance of the wetland intervention site in Gikondo, stretching 4km downstream to the Nyabugugo Wetland. This figure was estimated at 128,286. To avoid any double counting, one community scheduled for upgrading (Gatenga) falls within a 500m distance of the wetland. The estimate of beneficiaries of upgrading in Gatenga (10,192) was subtracted from the total, to provide a number of the direct number of beneficiaries as 251,382, which for simplicity is rounded to 251,000. During the project, more precise monitoring will revise these estimates.