

## Joint Programme Document

### A. COVER PAGE

- 1. Fund Name:** Joint SDG Fund
- 2. MPTFO Project Reference Number:**
- 3. Joint Programme title:** Enhancing development finance and effectiveness in Rwanda through integrated and innovative approaches for National Priorities and the SDGs
- 4. Short title:** Integrated financing in Rwanda
- 5. Country and region:** Rwanda, Africa
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#### 9. Short description:

The focus of this joint programme is to support and accelerate the Government of Rwanda's efforts to enhance and implement an integrated national financing framework (INFF), by strengthening development finance and effectiveness through integrated and innovative approaches to support the implementation of National Priorities and the SDGs.

The results of this joint programme have been formulated on four levels:

- **At policy/strategic level:** there will be strengthened policy coordination at strategic and programme planning level amongst different stakeholders through existing governance and development partnership mechanisms to operationalize an integrated national financing framework in support of NST1 and SDG implementation. Evidence generation will be prioritized to inform medium-term costing scenarios and decision-making.
- **At systems level:** core functions of the Public Financial Management system will be strengthened to harmonize plans, budgets and financing more effectively. Institutional capacity of key stakeholders will be enhanced through trainings on the use of new guidelines and tools to accelerate the delivery of NST1 and SDGs.
- **At the level of private sector engagement:** the environment for the private sector to align business operations to SDGs will be enhanced, through corporate social responsibility, capacity building to operationalize blended financing mechanisms and scale-up of the shared value approach in key industries.
- **At the level of accountability mechanisms:** monitoring and oversight systems will be reinforced to track the implementation of SDGs, through the roll-out of budget analysis tools and capacity building of key actors for more effective and inclusive participation, with an emphasis on Parliament, decentralized entities and citizens.

- 10. Keywords:** Integrated Financing, private sector engagement, innovative financing

## 11. Overview of budget

Joint SDG Fund contribution	USD 1,000,000
Co-funding 1 UNDP	USD 517,000
Co-funding 2 UNICEF	USD 350,000
<b>Co-funding Total</b>	<b>USD 867,000</b>
<b>TOTAL</b>	<b>USD 1,867,000</b>

## 12. Timeframe:

Start date	End date	Duration (in months)
June 2020	July 2022	24 months

## 13. Gender Marker: 2

## 14. Participating UN Organizations (PUNO) and Partners:

### 14.1 PUNOs

#### Convening agency: UNDP

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#### Other PUNO: UNICEF

- **Charlotte Taylor**, Chief Social Policy & Research. E-mail and Skype for Business: [chtaylor@unicef.org](mailto:chtaylor@unicef.org); phone: +250 788 381 606

### 14.2 Partners

**National authorities:** Ministry of Finance and Economic Planning (MINECOFIN); Social Cluster Ministries and Agencies including MINEDUC, MINISANTE, MINALOC, MIGEPROF among others; Ministry of Environment (MoE); Rwanda Management Institute (RMI); Ministry of Trade and Industry (MINICOM); Ministry of Infrastructure (MININFRA); Rwanda Development Board (RDB); Parliament and District Councils

**Civil society Organizations:** Collectif des Liges et Associations de Défense des Droits de l'Homme au Rwanda (CLADHO)

**Private sector:** Private Sector Federation (PSF)

**International Financial Institutions:** World Bank Group, International Monetary Fund

**SIGNATURE PAGE**

<p><b>Resident Coordinator</b> Fode Ndiaye</p> <p>Date</p> <p>Signature and seal</p>	<p><b>National Coordinating Authority</b> Ministry of Finance and Economic Planning</p> <p>Hon. Minister Dr. Claudine Uwera</p> <p>Date</p>
<p><b>Participating UN Organization</b> (lead/convening)</p> <p>UNDP Resident Representative Stephen Rodriques</p> <p>Date</p> <p>Signature and seal</p>	<p>Signature and seal</p>
<p><b>Participating UN Organization</b></p> <p>UNICEF Representative Julianna Lindsey</p> <p>Date</p> <p>Signature and seal</p>	

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## List of acronyms

CLADHO	Collectif des Ligues et Associations de Défense des Droits de l’Homme au Rwanda
CSOs	Civil Society Organizations
DDS	District Development Strategies
DFID	UK Department of International Development
DPCG	Development Partners Coordination Group
EAC	East African Community
ECD	Early Childhood Development
EU	European Union
FONERWA	Rwanda Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GG&D	Good Governance & Decentralization Sector Working Group
GiZ	German development bank
IFIs	International Financial Institutions
IMF	International Monetary Fund
INFF	Integrated National Financing Framework
JP	Joint Programme
MIGEPROF	Ministry of Gender and Family Promotion
MINALOC	Ministry of Local Government
MINECOFIN	Ministry of Finance and Economic Planning
MINEDUC	Ministry of Education
MINICOM	Ministry of Trade and Industry
MoE	Ministry of Environment
MoH	Ministry of Health
NDC	Nationally Determined Contributions
NECDP	National Early Childhood Development Programme
NISR	National Institute of Statistics of Rwanda
NGO	Non-Governmental Organization
NST1	National Strategy for Transformation 1 <sup>st</sup> phase
OAG	Office of the Auditor General
PFM	Public Financial Management
PEA	Poverty Environment Action for SDGs
PSDYE	Private sector development and youth employment Sector Working Group
PSF	Private Sector Federation
PUNO	Participating UN Organization
RCI	Rwanda Cooperation Initiative
RCO	UN Resident Coordinator Office
RDB	Rwanda Development Board
RMI	Rwanda Management Institute
SC	Steering Committee
SDGs	Sustainable Development Goals
SSP	Sector Strategic Plan
SWG	Sector Working Group
ToC	Theory of Change
UNDP	United Nations Development Programme
UNICEF	United Nations Children’s Fund
VNR	SDG Voluntary National Review
WASH	Water Sanitation and Hygiene

## B. STRATEGIC FRAMEWORK

### 1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

#### 2. Programme Outcome

- Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

### 3. UNDAF Outcomes and Outputs

#### 3.1 Outcomes

- **UNDAP Outcome 1:** By 2023 people in Rwanda benefit from more inclusive competitive and sustainable economic growth that generates decent work and promotes quality livelihoods for all.
- **UNDAP outcome 3:** By 2023 people in Rwanda particularly the most vulnerable enjoy increased and equitable access to quality education, health, nutrition and WASH services.
- **UNDAP outcome 5:** By 2023, people in Rwanda benefit from enhanced gender equality, justice, human rights, peace and security.
- **UNDAP outcome 6:** By 2023 people in Rwanda participate more actively in democratic and development processes and benefit from transparent and accountable public and private sector institutions that develop evidence-based policies and deliver quality services.

#### 3.2 Outputs

- **UNDAP Output 1.4:** Private and public institutions have the requisite technical and financial capacity to create decent employment, foster skills development, empower and promote entrepreneurship and financial inclusion for all, especially women and youth;
- **UNDAP Output 1.5:** National institutions have acquired increased technical capacity to identify, access and use different partnership modalities and sources of finance to achieve national development objectives;
- **UNDAP Output 3.4:** Service providers and communities have the required financial and technical capacity to increase coverage and uptake of nutrition interventions and improve food security, with specific emphasis on the poorest households, children U5, women and refugees;
- **UNDAP Output 5.7:** Number of state institutions (disaggregated by ministries and districts) whose budget planning process and implementation meet gender responsive planning and budgeting principles.
- **UNDAP Output 6.1:** Government institutions and civil society organizations at the national and subnational level have increased technical and financial capacity to generate, disseminate and use quality disaggregated data aligned to the SDGs to inform policies and programmes in development and humanitarian settings.

### 4. SDG Targets directly addressed by the Joint Programme

#### 4.1 List of targets

- **SDG target 1.b.** Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions;

- **SDG target 5.c.** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels;
- **SDG target 8.1.** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries;
- **SDG target 13.2.** Integrate climate change measures into national policies, strategies and planning;
- **SDG target 16.6.** Develop effective, accountable and transparent institutions at all levels;
- **SDG target 16.7.** Ensure responsive, inclusive, participatory and representative decision-making at all levels;
- **SDG target 17.1.** Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection;
- **SDG 17.14.** Enhance policy coherence for sustainable development; and
- **SDG 17.17.** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

## 5. Relevant objective(s) from the national SDG framework

The Government of Rwanda has domesticated the SDGs into its medium-term development strategy, the National Strategy for Transformation (NST1) (2017-2024). The Joint Programme objectives have been articulated to align with seven strategic interventions cutting across all three pillars of the NST1, namely Economic Transformation, Social Transformation and Transformational Governance:

- Create decent and productive jobs for economic development and poverty reduction;
- Develop and enhance strategic partnerships with private sector companies;
- Strengthening multi-sectoral coordination with an emphasis on social cluster sectors
- Identify innovative sources of financing for priority sectors
- Strengthen and promote gender equality and ensure equal opportunities for all Rwandans
- Strengthen the functioning of clusters, sector working groups and joint development action forums to enhance coordination in planning and implementation
- Reinforce mechanisms at decentralized levels for citizens, particularly women and youth, to effectively contribute to district planning and prioritization

## 6. Brief overview of the Theory of Change for the Joint Programme

The Theory of Change (ToC) of the Joint Programme is summarized as follows:

- **If** the Government’s SDG financing framework and associated policies are refined to accelerate progress towards the NST1 and SDG implementation (**output 1**); and
- **If** institutional capacities (human, systems and tools) are strengthened to accelerate NST1/SDGs delivery (**output 2**); and
- **If** an enabling environment to promote innovative financing mechanisms and SDG-aligned private sector investment and operations is enhanced (**output 3**); and
- **If** the capacity of legislative organs and citizens to monitor SDG implementation is strengthened (**output 4**);
- **Then**, Rwanda will have created a comprehensive financing architecture to accelerate progress toward SDG implementation and the national development agenda (**intermediate outcome 1**) and
- **Then** more resources for the achievement of the national development and SDG agenda are mobilized and managed effectively (**intermediate outcome 2**),



**leading to** sustainable economic and social transformation (**long-term outcome**); and **leading to** high living standards of the population ensuring that no-one is left behind (**impact**).

### **7. Trans-boundary and/or regional issues**

It was found that there are no current trans-boundary and/or regional issues relevant to the programme.

## C. Joint Programme description

### 1. Baseline and Situation Analysis

#### 1.1 Problem statement

Following the devastating Genocide against Tutsi in 1994, Rwanda has since made significant progress in socio-economic recovery and recorded high levels of sustained economic growth (averaging 7.5% per annum). GDP per capita tripled from about USD 225 in 2000 to USD 787 in 2018. Overall, growth was also pro-poor with the poverty headcount dropping from 60.4% in 2000 to 38.2% in 2016, while inequality declined with Gini coefficient falling from 0.513 in 2005 to 0.437 in 2016.<sup>1</sup> Rwanda's Human Development Index also increased from 0.337 in 2000 to 0.536 in 2018.<sup>2</sup>

Building on these gains, with the goal to ensure that Rwanda achieves upper middle-income status by 2035, and high-income status by 2050, with a good quality of life and decent jobs for all Rwandans, the Government of Rwanda prepared a new long-term plan—Vision 2050. It succeeds the ending Vision 2020. Toward the implementation of Vision 2050, a 7-year medium-term National Strategy for Transformation (NST1) covering 2017-2024 is under implementation, which integrates and mainstreams the UN Sustainable Development Goals (SDGs), the African Union Agenda 2063 and its First 10-Year Implementation Plan, and the East African Community (EAC) Vision 2050. NST1 is supplemented by Sector Strategic Plans (SSPs) and District Development Strategies (DDSs).

Achieving the visionary agenda under Vision 2050 and the targets set under NST1 largely depends on how well Rwanda mobilizes adequate financing, effectively uses its own domestic resources, and harnesses the power of innovative policy options to continue to narrow gaps in service delivery and social inequalities. As reported in 2019 Voluntary National Review (VNR, 2019), and as with many other countries across Africa, while great progress has been made across all SDG areas, gaps toward reaching some targets remain. For example, while health and educational service delivery has increased, 38 percent of children remain stunted<sup>3</sup>. And while education enrollment is nearly universal at the primary level, enrollment and retention rates at secondary level have lagged<sup>4</sup>. Furthermore, Rwanda is increasingly facing challenges related to climate change shocks, and the significant dependence on natural resources for lower-income residents is compounding efforts to reduce socioeconomic equality and advance green growth.

While the government has costed the NST1<sup>5</sup>, due to policy and capacity gaps, the level of resources mobilized are far short of those required<sup>6</sup> (see figures below). According to the IMF report on Costing of the SDGs (2019), Rwanda needs an additional 18.7 percentage points of GDP in spending to close development gaps in just four selected sectors, namely, education,

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<sup>1</sup> Rwanda National Institute for Statistics, NISR, 2016.

<sup>2</sup> [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/RWA.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/RWA.pdf)

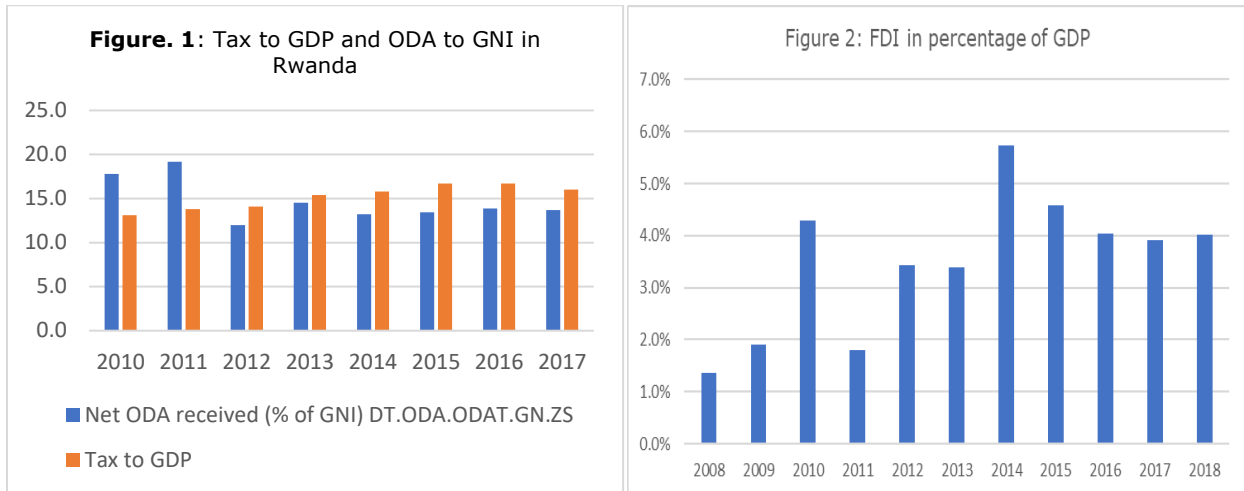
<sup>3</sup> Rwanda National Institute for Statistics (NISR), Rwanda Demographic Health Survey 2014/15.

<sup>4</sup> Rwanda Education Statistical Year Book, 2018 (MINEDUC).

<sup>5</sup> Total NST Financing is around USD 40 billion for 2017-2024.

<sup>6</sup> Tax revenues to GDP reached a peak 16.7 percent in 2015-16. Source, World Development Indicators Database.

infrastructure, health, and water and sanitation. A significant share is expected to come from the public sector (59%), with the remaining share mobilized from private sources.



Source: World Bank Development Indicators Database.

Rwanda has embedded self-reliance as a policy to mobilize its own resources for achieving the SDGs, especially through reforms to foster sustainable and inclusive growth that will in turn generate the tax revenue needed. In addition to mobilizing more domestic finances, the Government of Rwanda has been building up a strong public finance management system to efficiently and effectively use resources. The government intends to boost tax revenue by implementing a domestic resource mobilization strategic plan (2019-2024). It has also put in place prudent macroeconomic management, systems for combating corruption and improving governance, strengthening transparency and accountability.

Public debt is considered sustainable and at a low risk of distress. The latest Debt Sustainability Analysis reported in the Annual Economic Report of Rwanda recorded a Debt to GDP ratio of 29% in present value at the end 2018 (as compared to a recommended threshold for EAC Countries of 50%). Rwanda successfully accessed international capital markets in 2013 with a EUR 400 million Eurobond, oversubscribed 8.5 times, and recently also launched a sovereign bond on the London Stock Exchange denominated in local currency. Grants as a share of traditional ODA are also on a declining trend, and more development cooperation is increasingly being delivered through concessional loans and new financing modalities such as performance-based development policy lending (Figure 1). Given these trends, Rwanda recognizes that it is important that policies and systems for debt management allow for expanding investment in national priorities and the SDGs without creating adverse conditions that narrow the fiscal space.

Although Rwanda has made great efforts to create a favorable enabling environment for business and investment and is ranked second in Africa in the World Bank’s Doing Business report, the gap in private investment to reach the NST1 targets remains large. While some encouraging trends have been recorded and the share of private investment in GDP is rising, levels of Foreign Direct Investment have yet to reach the desired level of 10% (see right graph above). Among other factors, the relatively high cost of capital, high energy costs, the country’s small local market size, and external regional security concerns contribute to constraining more rapid private sector growth.

To leverage private sector financing for national development, development partners, development finance institutions (DFIs) and philanthropists are increasingly considering risk-sharing models and de-risking instruments as part of a financing mix for critical investments in achieving high impact results across the SDGs. Rwanda has started to roll out some innovative instruments to use some aspects of blending that allowed to raise close to USD 6 billion to date<sup>7</sup>; while it is assessing other instruments such as a green bank as well as social impact bond opportunities. Yet, these efforts are not fully coordinated and guided by policy and legal frameworks. At the same time, since the domestic private sector is dominated by Micro, Small and Medium Enterprises, existing capacities tend to be lower to access more innovative financing mechanisms and impact investors. Moreover, blended finance approaches remain largely untested in Rwanda, particularly in social sectors. UNDP and the Ministry of Finance and Economic Planning (MINECOFIN) commissioned a feasibility study for the setup of a dedicated Blended Finance Facility (BFF) which validated a need for a centralized mechanism to coordinate the preparation and brokering of projects with potential to be financed using blended finance structures in order to design new financing products and catalyze greater resources toward NST1 implementation.

The Government of Rwanda has been implementing programme-based budgeting for the past few years and has a rigorous planning and budgeting system at central and decentralized levels. In FY 2019/20, performance-based budgeting was piloted in four large spending sectors at central level and is now being expanded to pilot districts. Given the only very recent introduction of this innovative approach, it can be expected that the capacity of users at central and especially at decentralized levels will be limited, as well as that of oversight institutions to apply more result-oriented planning and budgeting guidelines. The government also recognizes the need to reinforce more thematic and sector-clustered planning and budgeting approaches in use to meet the SDGs in an integrated and efficient way.

Finally, since the implementation and monitoring of an integrated national financing framework for the SDGs in holistic manner is a new concept, continuous learning and reviewing of current institutional practices is required to ensure that they are properly aligned to country needs, targets, and requirements. While the Government of Rwanda is recognized for its high drive for results through homegrown initiatives such as performance contracts - (*Imihigo*), institutional and human capacities can always be strengthened to improve performance. Over the years Rwanda has built an innovative planning and government performance system that respond to the needs of the people and ensures alignment to their priorities at national, sectoral and local levels. Yet, capacity limitations at local level to formulate and monitor results coupled with low levels of autonomously generated revenue constrains more effective implementation of priority development interventions<sup>8</sup> able to realize transformative results toward SDG targets.

The programme interventions will address policy and institutional gaps in the financing architecture that inhibit Rwanda's ability to mobilize and manage the resources needed to reach its NST1 and SDG targets. These include:

- Currently there is no comprehensive, integrated financing strategy to effectively reach the national plan that covers all financial flows, and both public and private resources, in a holistic way. This would be a key element for reducing existing financing gaps to

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<sup>7</sup> Technical assistance to advise Rwanda's approach for mobilizing new sources of development finance, UK AID 2019.

<sup>8</sup> According to the Rwanda Governance Score card (RGS) 2019, Local Government Budget as percentage of the national budget stands at 15.2% which puts the RGS scores at 50.7%, one of the lowest scores.

allow for expanded service delivery, particularly in infrastructure development and social services, that can be devised in a gender and climate-sensitive manner.

- Institutional capacity to align plans and budgets, particularly through new approaches such as performance-based budgeting, and to ensure full budget execution against targets requires strengthening. The proposed interventions will contribute to further development and updating of these tools and building requisite institutional capacity to better apply.
- While Rwanda has done well in identifying new and innovative financing options and instruments to diversify its resource mix, it has not fully operationalized these, and the contextual analysis revealed a need for clearer regulations and procedures to ensure for their consistent implementation aligned to existing policies;
- Although significant progress has been made in enhancing coordination among government entities, to accelerate progress on SDGs, enhanced intersectoral coordination and a holistic approach toward sustainable development is needed at local level bring together public and private actors and at central level there is a need for more coordinated mechanism to catalyze and align private sector flows to national priorities and the SDGs.
- Government’s own efforts have led to solid results in accountability/transparency driving improvement in governance leading to socio-economic progress. But, alignment of these systems to SDGs through evidence-based guidelines will bring even further transformation.
- Notwithstanding the fact that the Government of Rwanda in partnership with other stakeholders have achieved outstanding progress with regard to financing for gender equality (for e.g. through institutionalized Gender Responsive Budgeting), there is a need to strengthen these systems and tools, build institutional capacity and reinforce accountability to sustainably enabled public institutions to use public resources in a manner that benefits both men and women and boys and girls.

This Joint Programme (JP), therefore, will support the Government of Rwanda to develop and implement an Integrated National Financing Framework (INFF) strengthening a complementary, interdependent, and mutually reinforcing relationship between planning, budgeting, financing processes and accountability systems by addressing the above-mentioned challenges.

## **1.2 SDGs and targets**

Specifically, the JP aims to contribute to SDGs 1, 5, 8, 13, 16 and 17 with relevant selected SDG targets in the focus of this JP being:

1. SDG target 1.b. Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions
2. SDG target 5.c. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
3. SDG target 8.1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.
4. SDG target 13.2. Integrate climate change measures into national policies, strategies and planning;
5. SDG target 16.6. Develop effective, accountable and transparent institutions at all levels;

6. SDG target 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels;
7. SDG target 17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection;
8. SDG target 17.14. Enhance policy coherence for sustainable development; and
9. SDG target 17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

In the following table, a summary of the status of SDG targets by relevant indicators is presented using the latest available data. The table also indicates the source of information. To measure the progress, different sources of information will play a role, most importantly national survey data that contains public/national official statistics, IMF country review reports and its database, World Development indicators of the World Bank, among others. In addition to those data sources specifically mentioned, any subsequent VNR Reports issued in the project period may also be used to track progress against the targets.

*Table 1. Key SDG indicators for the JP*

<b>SDG target</b>	<b>Most relevant SDG indicator</b>	<b>Baseline at national level</b>	<b>Source</b>	<b>Method to be used to measure progress</b>
1.b. Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.	1.b.1. Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups.	In Fiscal Year 2019/2020, the Government allocated FRW 91,075,669,292 in the national budget to priority sectors for women, poor people and other vulnerable people. <sup>9</sup>	Rwanda 2019 VNR Report	State Finance Law
5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	Annually, MINECOFIN produces a Gender Budget Statement, capturing the budget allocations to gender equality and women's empowerment.	MINECOFIN Gender Budget Statement	MINECOFIN Gender Budget Statement
8.1. Sustain per capita economic growth in accordance with	8.1.1 Annual growth rate of real GDP per capita.	In 2018, the per capita annual	World Bank data 2020	World Bank data

<sup>9</sup> For graphics on current data and trends on tier I and partly tier II indicators, the National Institute of Statistics of Rwanda (NISR) has launched an online SDGs portal containing latest data available on Rwanda SDG indicators: <https://sustainabledevelopment-rwanda.github.io/sdg-indicators/>

SDG target	Most relevant SDG indicator	Baseline at national level	Source	Method to be used to measure progress
national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.		growth rate was 5.7  In 2018, the recorded annual growth rate was 8.6%	10 <sup>th</sup> IMF Country reviews	IMF Country reviews
13.2. Integrate climate change measures into national policies, strategies and planning	13.2.1. Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production.	Green Growth and Climate Resilience Strategy (2011) - under revision;  Rwanda NDC implementation Plan adopted in 2015 and being updated;  Periodic Climate Change and Environment Public Expenditure Reviews  Environmental Impact Assessments conducted for project feasibility studies.	Ministry of Environment and REMA reports.	Ministry of Environment and REMA reports
16.6. Develop effective, accountable and transparent institutions at all levels	16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)	27.6% of GDP (2018)	IMF Country review (2019)	IMF country review (2021)
	16.6.2 Proportion of population satisfied with their last experience of public services.	70.4%	RGB Citizen report card (2019)	RGB Citizen report card (2021)

<b>SDG target</b>	<b>Most relevant SDG indicator</b>	<b>Baseline at national level</b>	<b>Source</b>	<b>Method to be used to measure progress</b>
16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels	16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group.	73.1%	RGB Citizen report card (2019)	RGB Citizen report card (2021)
17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.1 Total government revenue as a proportion of GDP, by source.	24.1%, of which 16.3% tax revenue and 4.9% grants and deficit financing -5.5%	IMF Country reviews (2019)	IMF Country reviews (2021)
	17.1.2 Proportion of domestic budget funded by domestic taxes.	16.2 % of GDP (2018) Or 53% total national budget	IMF Country reviews (2019) and MINECOFIN state finance law 2018/2019	IMF Country reviews (2021) and MINECOFIN state finance law
17.14. Enhance policy coherence for sustainable development	17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development	Annual Review mechanism to assess progress against target, which include to some extent policy coherence.	Rwanda reported as one of the countries with coherent mechanism.	Africa SDG report.
17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	17.17.1 Amount of United States dollars committed to (a) public-private partnerships and (b) civil society partnerships	In 2017, private Partnership investments amounted to US\$ 844 million. In 2019, Rwanda Governance Board committed US\$ 736,911 to strengthen CSO-Government Partnership	National Bank of Rwanda and the World Bank Development Indicators database	External development finance report, MINECOFIN



As shown above, the JP will contribute to the realization of 6 SDGs of which 9 targets and 11 related indicators. As elaborated in Section 1.1, the current challenges around the SDG financing framework are multifaceted and observed at different levels. The above SDG targets are strategically selected as the SDG framework for this JP. The following highlighted interlinkages between the selected SDG targets present the backdrop of the Theory of Change (see Section 2.2) through which the JP is envisaging to achieve systematic change.

The JP will support the Government of Rwanda to ensure fiscal sustainability, promote stronger policy coherence for sustainable development, and support the elaboration and implementation of an INFF as a tool to reach national priorities and the SDGs (SDG’s 17.1; 17.14). New and inclusive partnerships, particularly around financing, for catalyzing transformational development in Rwanda will also be advanced through all outputs (SDG 17.17). Approaches to mainstream gender- (SDG 5.c), climate-sensitive (SDG 13.2) and pro-poor (SDG 1.b) planning, budgeting, and innovative financing strategies will also be strengthened through the JP. Finally, the activities will promote citizens engagement and participation in decision-making processes, especially in decentralized planning and budgeting processes (SDG 16.7), and improved transparency (SDG 16.6).

This described relationship and interlinkages depict the multidimensional and intra-sectoral structure of the proposed SDGs to which the JP contributes. It is this interconnection between the SDG’s that will in the medium and long term ensure sustainable and inclusive economic growth (SDG 8.1) and contribute to improved public service delivery in a gender-sensitive and pro-poor manner.

### 1.3 Stakeholder mapping and target groups

Under the overall aim to accelerate its development agenda, the Government of Rwanda places a strong emphasis on working with multiple stakeholders at all levels. These include, the United Nations, multi-lateral and bi-lateral development partners, International Financial Institutions (IFIs), Civil Society Organizations (CSOs), academia and the private sector actors.

#### Key Government stakeholders

MINECOFIN is the primary entry point in government for implementing the SDG Financing JP. It is well positioned given its leading role in the design and coordination of Rwanda’s long-term vision for development. The Ministry coordinates core functions in the government financing structure namely on forecasting planning and budgeting and resource mobilization. Specifically, the proposed JP interventions will be implemented through various departments of the Ministry as illustrated in the table below.

*Table 2 Overview of MINECOFIN departments connected to SDG Financing*

<b>MINECOFIN departments</b>	<b>Key functions and responsibilities</b>
National Development Planning and Research department	Is responsible for developing the planning guidelines and ensuring that sectoral and Ministries, Departments and Agencies’ plans and investments/pipeline projects are aligned to the delivery of the National Agenda and also adequately integrates Global, Continental and Regional commitments made by Rwanda such as the SDGs, AU agenda 2063 and the EAC Vision 2050. The department further ensures that the monitoring and coordination mechanism of NST1 is fully aligned to the SDGs.

National Budget department	Ensures that the national budget is effectively and efficiently allocated to the interventions aligned with national priorities. It also ensures that citizens play a role in national decision-making through participatory planning and budgeting (in collaboration with National Development Planning Department) and produces budgeting guidelines for both central and local government entities.
Office of the Chief Economist	Ensures that adequate resources are available to finance the national budget and that fiscal risk and deficits are well managed through effective resource mobilization and debt management.
Office of the Accountant General	Supports government institutions to account for government spending and ensures that financial risks are minimized. The department produces and disseminates internal guidelines across the government for public finance accounting, recording and reporting to maximize efficiency from public resources.

Fostering shared ownership among central government ministries and affiliated agencies is a key pillar for the delivery of the NST1 and SDG agenda. Each stakeholder’s role within the scope of SDG Financing JP is outlined below:

- Sector Ministries and affiliated agencies are responsible for developing multi-year strategic plans and costing them. Respective planning departments of ministries are responsible for budget monitoring and can undertake analytical works such as cost-effective analysis, affordability studies and investment cases as necessary. In the context of this programme selected ministries<sup>10</sup> and agencies will be engaged.
- MINICOM is responsible for creating a business environment conducive to growth and for job creation with a focus on Small and Medium Enterprises and facilitating export-oriented industries.
- RDB coordinates and implements different investment related policies including innovating financing mechanisms through foreign investor attraction and plays a key role of government negotiator in different project involving the government.

**Domestic accountability stakeholders**

The Office of the Auditor General (OAG) conducts annual financial and compliance audits on government spending and reports to Parliament in May of every year. The OAG is also scaling up its capacity to engage in more value for money and IT audits. Parliament approves the annual national budget proposal, turning it into a law on state finances, and oversees government spending. There are several standing committees in Parliament involved in the Public Financial Management (PFM) cycle<sup>11</sup>. At District level, District Councils approve and oversee the implementation District budgets and plans.

**UN stakeholders**

In addition to the government ministries and affiliated bodies mentioned above, UN agencies under the One UN umbrella collaborate with the government both at the central and decentralized levels, to design and execute programmes supporting Rwanda’s development goals. Through embedded advisors, training, and technical assistance, UNDP is supporting MINECOFIN to enhance its capacity for evidence-based planning, monitoring and performance management. This includes technical assistance to its External Finance Division to update its policies, strategies, and tools to enhance development coordination and effectiveness. In

<sup>10</sup>The most relevant line ministries will be the Ministry of Health (MoH), Ministry of Education (MINEDUC), Ministry of Gender and Family Promotion (MIGEPROF) and National Early Childhood Development Programme (NECDP), the Ministry of Infrastructure (MININFRA) and the Ministry of Environment (MoE) as well as FONERWA.

<sup>11</sup> The most prominent ones being the Parliamentary Committee on Budget and the Public Accounts Committee.

addition, UNDP been working with key stakeholders to pilot two innovative finance mechanisms, namely a blended finance facility and a dedicated green financing facility based on the global green bank model. It is also supporting the Tax Inspectors Without Borders programme. Finally, UNDP has been working directly with private companies to promote the shared value approach<sup>12</sup>, particularly on gender and disability inclusion, and leads implementation of the “gender seal” programme.

UNICEF has supported the government in the Open Budget Survey initiative to increase Rwanda’s ranking in fiscal transparency and public accountability. UNICEF also collaborates with MINECOFIN to strengthen citizen (including youth) participation in planning and budgeting to ensure that government plans and budget allocations reflect community aspirations. UNICEF-Rwanda has a Private Sector Engagement Strategy in place and has initiated partnerships with key industries (tea, rice) to leverage contributions for SDGs through a shared value approach. Other UN agencies in Rwanda are also key stakeholders with a strong interest in SDG financing, information on their ongoing initiatives can be found in Annex 1.

### **Multi-lateral and bilateral development partners**

Several development partners were identified and consulted in the course of designing this programme. These partners are actively supporting development financing in Rwanda either through the UN agencies or their own programmes. The key partners whom we will collaborate closely with are: (i) The International Monetary Fund, on financing of the NST as well as on domestic revenue mobilization; (ii) The European Union (EU), the German development bank (KfW) and Belgian development agency (Enabel) all support the PFM Basket Fund, which is a flexible financing mechanism that is fully aligned to the priorities of the PFM Sector Strategic Plan 2018 – 2024 that is key for INFF; (iii) GiZ is actively supporting the fiscal decentralization space and policies related to macroeconomic and investments that this JP could collaborate with through research and networking; (iv) the UK Department of International Development (DFID) is supporting PFM capacity building at local government level and a deeper and more inclusive financial sector by strengthening the capacity and systems development of financial service providers that serve the poor and (v) the World Bank supports MINECOFIN with a PFM programme, which includes the roll-out of performance-based budgeting. The JP will leverage and work with the above listed partners as well as others for enhanced impact.

### **Civil Society Organizations and Non-Governmental Organizations**

CSOs and International and National NGOs also play an important role in Rwanda’s development agenda, including in service delivery, sensitization and participation in policy and programme development as well as participation in policy formulation evaluation processes. A number of NGOs and CSOs implement activities on citizen engagement and advocacy, these include the *Collectif des Ligues et Associations de Défense des Droits de l’Homme au Rwanda* (CLADHO), Save the Children, Transparency International-Rwanda and the Rwanda Environment NGO forum and NGOs focusing on gender such as RWAMREC and Rwanda Women's Network.

### **Private Sector**

The importance of the private sector is emphasized in the NST and the new Rwanda development cooperation policy (2019), as a key contributor to the economy, to employment and to resource mobilization efforts through tax. Additionally, the private sector can offer a range of services and innovations in different areas including financial services. The Private sector Foundation (PSF) is the umbrella organization of the private sector partnering with UNDP to catalyze additional investments through innovative approaches.

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<sup>12</sup>The shared value approach focuses on opportunities for competitive advantages from building a social value proposition into corporate strategy.

### **Universities, Academia and Analysis and Research Institutions:**

The UN has standing collaboration with universities. Academia is key in advancing knowledge and evidence generation on SDG financing, innovative approaches for service delivery and addressing climate change. Policy analysis and research institutes such as IPAR-Rwanda<sup>13</sup> is the leading independent, not-for-profit research and policy analysis Think Tank in Rwanda. In full alignment with the project objectives, the JP will collaborate with these institutions as appropriate.

### **Target groups**

The JP intends to enhance capacities of various stakeholders (Ministries, Parliament, District governments, District councils, Private sector and citizens including youth) both at central and decentralized government level through different modalities. The JP will work with all these target groups to build their capacity to perform diagnostic works, strengthen policy formulation, consolidate systems, roll out tools and enhance accountability processes.

## **2. Programme Strategy**

### **2.1. Overall strategy**

The JP on “*Unlocking development finance and enhancing development effectiveness in Rwanda through an integrated financing approach*” will deliver transformative results to accelerate progress in the realization of the National Strategy for Transformation (NST 1) and SDGs by ensuring systemic change in the way plan, budget, finance, monitoring and accountability functions are executed.

### **Transformational strategy**

Rwanda has already made remarkable progress in achieving development outcomes and very good progress in aligning plans to budget allocations. Building on its success, Rwanda articulated NST1 and Vision 2050, with an ambitious agenda to achieve concurrent economic, social, and environmental goals through transformational governance that requires innovative policies, financing and delivery mechanism.

The overall strategy builds upon a recognition that further improvement can be made in efficient alignment between plans, budget and finance as well as more effective implementation at local government level and monitoring of results through stronger institutional capacities and systems in these areas. In addition, while Government has integrated SDGs in the long- and medium-term plans, the level of their integration in local Government plans and annual performance contracts, or Imihigo (performance management system) can be enhanced. This JP will support SDG proofing of policies, guidelines, systems, processes and strengthening of institutions to enhance SDG implementation.

Finally, the JP’s transformational strategy is a major departure from current practice because it elevates discussions, governance and partnerships beyond the usual emphasis on resource mobilization to also address the efficient use of resources in full alignment with national development priorities and the SDGs. In addition, it focuses on all financial flows, as well as the effective engagement of the private sector toward reaching the SDGs. In addition, the enhanced transparency and accountability that will follow the implementation of the INFF will

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<sup>13</sup> It became fully functional in 2008 with the support of the African Capacity Building Foundation and International Development Research Centre.

bring extra momentum for key reforms and their achievement. By developing and implementing an integrated financing framework, the JP help to put development results and SDGs front and center of policy and decision-making process.

Another important aspect of the transformational strategy of the programme is its focus to expand the partnerships and collaborations on development financing beyond the mandated ministry i.e., MINECOFIN, making a leap towards development financing becoming the business of the whole of the government and society. Building upon the existing well-functioning systems at all levels, the JP will support Rwanda to upgrade its systems, strengthen its institutions, expand and broaden constituencies for reform on development financing. The JP will help to realize the much-needed engagement of the private sector to drive economic development in Rwanda as per the aspiration of the country and SDGs. It supports the development of tools and guidelines to align private sector investments to national priorities and SDGs including by adapting and scaling up comprehensive shared value approaches for SDG delivery. In addition, the JP aims at supporting Rwanda to mobilize significant amount of resources by piloting selected innovative financing instruments such as blended finance facility, social bonds and green bank. Upon which a comprehensive policy framework for innovative finance and private sector engagement will be developed.

### **Government's lead**

The JP is developed under the guidance of the Resident Coordinator with support from RCO by UNDP and UNICEF in close collaboration with the MINECOFIN. MINECOFIN provided high level leadership in the development of the JP, ensuring the programme is aligned and contributes to the government's current needs and Vision 2050 as well as NST1. The Government will continue providing strategic guidance and oversight during the implementation phase through existing high-level structures such as the National Steering Committee for Vision 2050 and NST1 chaired by the MINECOFIN and Cabinet. More information on governance arrangements are provided in Section 3.1 of this document.

### **UN added value**

The implementation of the JP will harness the convening power of the Resident Coordinator's office of the UN and the UN family. The RCO will oversee the coordination during the implementation of the programme under the UN support. Through this programme, UNDP and UNICEF will broaden the dialogue on financing reforms through the engagement of a wide range of constituencies including the much-needed private sector in the implementation of SDGs. The support from the UN will further catalyze transparency, accountability and participation of all actors including enhancing the effective functioning of the Parliament and citizens group throughout the plan, budget, financing and monitoring and accountability chain. In addition, various UN agencies will avail their respective technical expertise and tools to support a comprehensive approach to INFF related reforms with the government. The participating UN agencies have the mandate and current partnerships in place to deliver the JP. This innovative governance structure of the JP will also enable complementarities with key partners, such as IFIs and the EU. The UN further brings to bear its comparative advantage of building capacity for SDGs along the full value chain of planning and financing.

### **Expected situation**

The JP aims to achieve transformational results by accelerating progress in the implementation of national priorities and SDGs. Multiple benefits are going to be realized:

- (i) through the implementation of innovative solutions that will address identified gaps at the strategic/policy, system, coordination and community levels to accelerating the delivery of results in NST 1;

- (ii) through the enhancement and integration of existing systems, policies and coordination structures that were functioning in silos into one coordinated space for effective delivery of SDGs;
- (iii) through the expansion of constituencies and stakeholder groups beyond the government and development partners to include new and emerging key players by using the innovative approaches and models.

### **Alignment with UNDAF, NST1 and other initiatives**

The JP is aligned with Rwanda’s NST1 (2017-2024) as well as UNDAF (2018-2023). The strategic framework and implementation plan adopted for this JP are relevant to the selected SDG targets, UNDAF outcomes and relevant national strategies by addressing policy, institutional and systemic bottlenecks constraining the delivery of national priorities and SDGs. The JP will add significant value to the UN engagement at strategic level. It builds upon UNDP existing support to the Government on strengthening planning, thematic budgeting, and financing including through innovative finance as well as the Gender Seal Certification for private sector; and UNICEF’s private sector engagement strategy.

## **2.2 Theory of Change**

The Theory of Change (ToC) of the JP for SDG financing is summarized as follows:

**If** the Government’s SDG policy and financing framework and associated policies are refined to accelerate the progress towards the NST1 and SDG implementation (**output 1**); and  
**If** institutional capacities (human, systems and tools) are strengthened to accelerate NST1/SDGs delivery (**output 2**); and  
**If** an enabling environment to promote innovative financing mechanisms and SDG-aligned private sector investment and operations is enhanced (**output 3**); and  
**If** the capacity of legislative organs and citizens to monitor SDG implementation is strengthened (**output 4**);  
**Then**, Rwanda will have set up a comprehensive financing architecture to implement the national development agenda towards achieving the SDGs (**intermediate outcome 1**) and  
**Then** resources for the achievement of the national development and SDG agenda will have been mobilized and managed effectively (**intermediate outcome 2**),  
**leading to** sustainable economic and social transformation (**long-term outcome**), and  
**leading to** high living standards of the population ensuring that no-one is left behind (**impact**).

For the development of the ToC, the focus has been mainly on the sphere of control and sphere of influence. Within the sphere of control of the JP, the outputs have been identified reflecting elements of an integrated financing framework on four levels, which are within the sphere of control of the JP. Within the sphere of influence of the programme, the ToC contains two intermediate outcomes and one long-term outcome, contributing to the overall envisaged impact which the sphere of interest.

The structural logic of the ToC has been inspired by the four building blocks reflecting the levels of intervention of an INFF, which are at the center of the SDG financing JP to support the Government of Rwanda to achieve its national development agenda and SDG targets. The four levels of intervention of the JP will be on: (i) Policy/strategy for an INFF, (ii) Systems building for implementation of an INFF, (iii) Enhancing the role of the private sector in SDG aligned investments and (iv) Accountability of public institutions and citizens to monitor SDG implementation. These entry points have been translated into **four outputs** which are part of **the sphere of control** of the JP.

The entry point for the proposed interventions under the outputs are driven by the issues identified in the problem statement. Specifically, building on the limited articulation between the NST1 targets and SSP costed strategies (when these exist). These limited linkages have left a gap in understanding and forecasting the medium-term financing needs, which require further integration of core functions (planning, budgeting, resource mobilization and accountability), and an increasing role for the private sector engagement in the country’s transformative agenda.

By including outputs representing different levels of intervention as well as targeting the enabling environment, the outputs are essential pillars that reinforce each other towards reaching the intended outcomes. This reinforcement is represented in the ToC by the blue arrows, indicating the pathway of change.

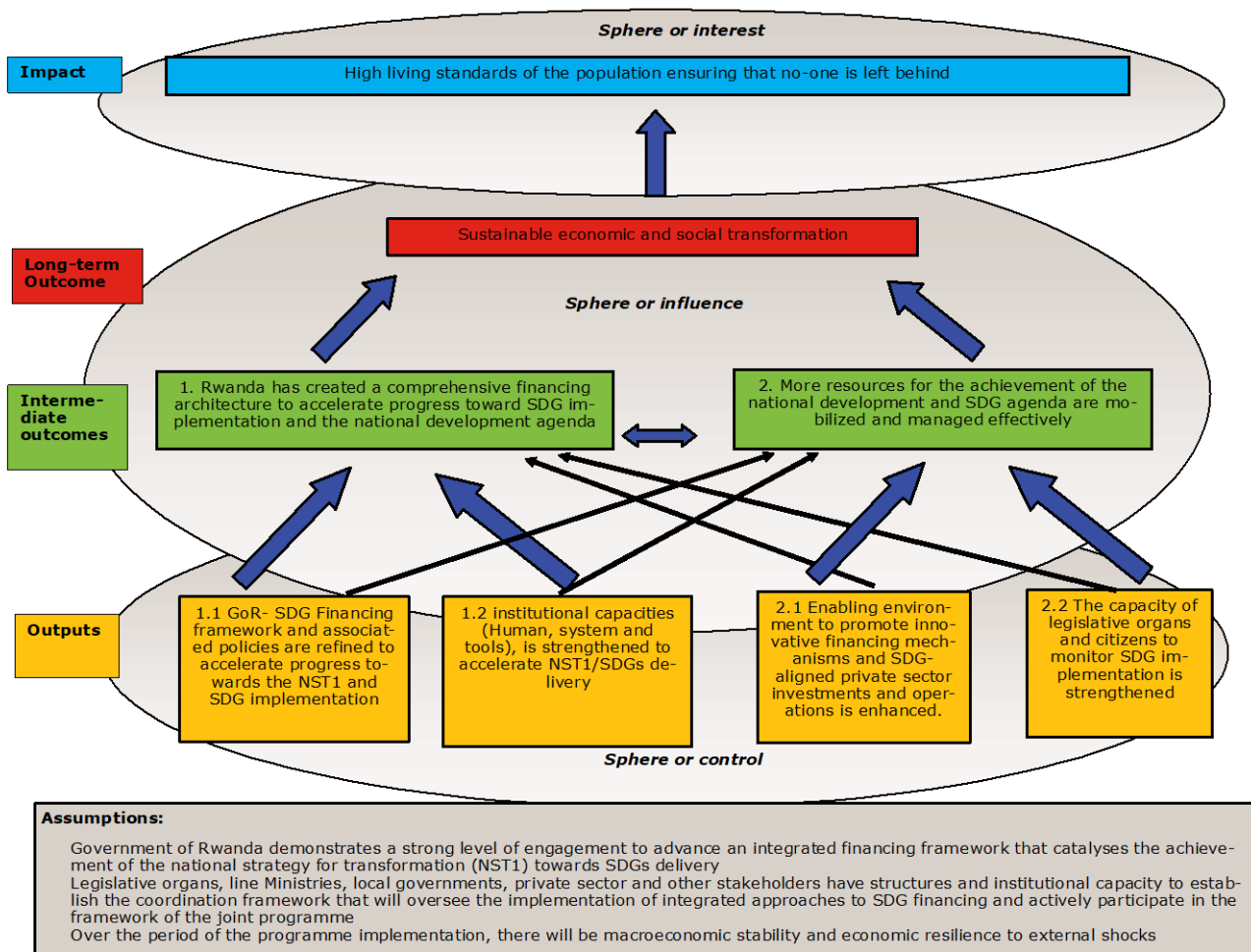


Figure 3 Sphere of control

Moving out of the sphere of control and into the **sphere of influence**, the pathway of change continues. The outputs lead to having an effective INFF in place with strengthened capacity of national stakeholders and an enabled environment to accelerate the implementation of national development agenda. It will also lead to increased potential to mobilize more and diversified resources, thus leading to creation of a comprehensive financing architecture to

accelerate progress toward SDGs and Rwanda’s national development goals, which is **intermediate outcome 1**. Furthermore, the promotion of a more integrated approach to planning, budgeting and financing and capacity building for enhanced coordination and implementation is being done at output level. This will increase the technical and institutional capacity at national and sub-national levels of government to mobilize and manage innovative financing, for the implementation the national development and SDG agenda as reflected in **intermediate outcome 2**.

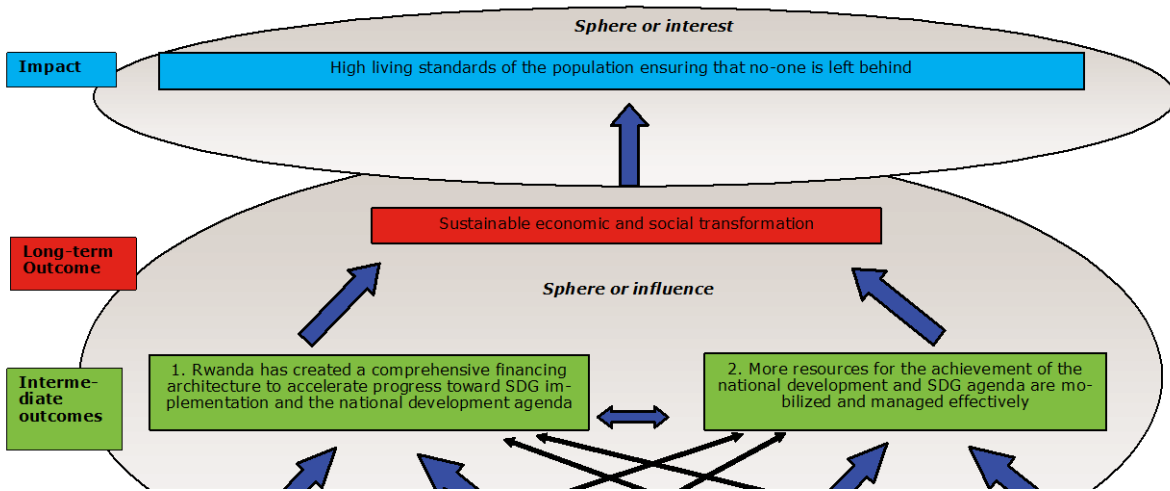


Figure 4 Sphere of influence and interest

Moving further up in the sphere of influence, a stronger financing architecture for SDG implementation combined with effective mobilization and management of resources for the SDG implementation will, in the longer term, contribute to sustainable economic and social transformation (**longer term outcome and related to UNDAF Outcome 1**), resulting into high living standards of the Rwandan population and ensuring that no-one is left behind as **programme impact** (sphere of interest).

This ToC is fully aligned with the UNDAF and contributes to the realization of UNDAF II outcome 1 related to inclusive competitive and sustainable economic growth, outcome 3 focusing on equitable access to social services and outcome 6 focusing on increased accountability and transparency. The UNDAF is in turn fully aligned with the national NST1, therefore reflecting the Government’s development vision.

As the ToC combines the vision of the government, the UNDAF II, and covers the mandates of the involved UN agencies, the programme document will be used to iteratively monitor progress and change at output and intermediate outcome levels and check the relevance of the assumptions. Based on the monitoring and periodic reviews, interventions can be adjusted if necessary.

Three main assumptions underlie the key linkages in the ToC. If one or more of these assumptions are not met, or no longer valid, the pathway of change in the ToC will be jeopardized and expected results may not materialize.

The first assumption is that the Government of Rwanda demonstrates a strong level of engagement to advance an integrated financing framework that catalyzes the achievement of the national strategy for transformation (NST1) towards National priorities and SDGs delivery.



In particular, the Government of Rwanda will have to maintain its commitment to take the leading role in the implementation of the planned interventions under this JP for SDGs financing.

The second assumption is that the legislative organs, line Ministries, local governments, private sector and other stakeholders have structures and institutional capacity to engage with the coordination framework that will oversee the implementation of integrated approaches to SDG financing and will actively participate in the framework of the JP.

The third assumption relates to the country’s macroeconomic stability, several interventions are to a large extent dependent on external factors which are beyond the direct control not only of the Government but also of UN agencies, some of them are driven by climate change which affects the economic sector’s stability, for e.g. flood and drought which heavily influence the prices levels, external trade which creates inflation pressure and currency depression, among others, all of which affect the country’s development financing environment. The joint programme assumes therefore that over the period of implementation, there will be macroeconomic stability and economic resilience to external shocks.

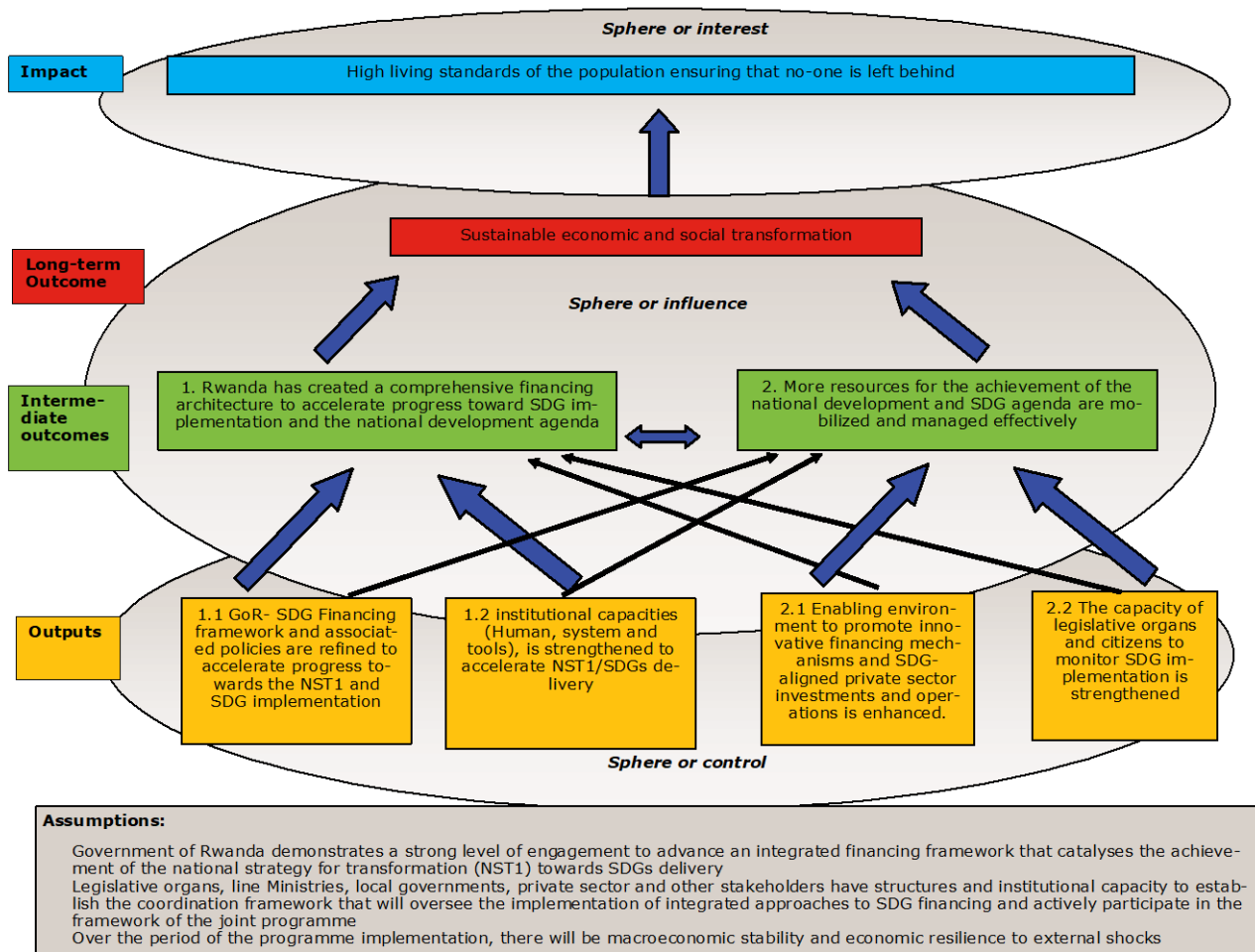


Figure 5 ToC graphic

## 2.3 Expected results by outcome and outputs

The expected results under SDG financing JP are built around the ToC as discussed in the section 2.2. The results will be measured on two levels, starting from lower level results, as expressed in outputs and upper level results which shall be achieved through expressed intermediate outcomes.

### 2.3.1. Output 1.1: SDG Policy and Financing framework and associated policies are refined to accelerate the progress towards the NST1 and SDG implementation

This output comprises diagnostic works on INFF specifically, and the following activities will be implemented:

- (i) Undertake an assessment and model national financing flows to inform the development of an integrated financing framework
- (ii) Strengthen the policy and regulatory framework for blended finance mechanisms in Rwanda
- (iii) Support the elaboration of a resource mobilization strategy
- (iv) Provide technical support to the mid-term review (MTR) of NST1 and building scenarios to inform the second phase of NST1 and beyond.
- (v) Update fiscal space for social sectors and conduct other PFM diagnostic works (WASH, health and education and Environment and natural resources sectors) to enhance more efficient and effective budget allocations, including modeling the fiscal impacts of COVID-19 and links to social transformation outcomes.
- (vi) Refine medium-term cost scenarios of NST1 and SDG targets, with a special focus on integrated and multi-sectoral thematic areas such as ECD, nutrition, climate and disaster risk management.

These activities will in overall support to set the stage for INFF implementation from the policy and strategic level. They will contribute specifically to having a policy framework in place that supports investments in poverty eradication (SDG target 1.b), to sustaining economic growth per capita (SDG target 8.1), strengthening domestic resource mobilization (SDG target 17.1) and enhanced policy coordination for sustainable development (SDG target 17.14). As indicated, the activities will be carried out as much as possible in a gender-sensitive and gender-responsive manner, therefore contributing to strengthen policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels (SDG 5.c). Macro-level modeling will also support a better understanding of the medium-term impacts from the COVID-19 pandemic on the economy to be used in elaboration of the national recovery strategy.

### 2.3.2. Output 1.2: Institutional capacities are strengthened to accelerate NST1/SDG delivery

Under this output, the following activities to strengthen systems and institutional capacities are planned:

- (i) Develop guidelines, tools and innovative mechanisms to strengthen fiscal management systems and align SDGs to public investment planning and budgeting, including: support to implement key reforms such as the Medium-Term Revenue Strategy; and revision of PFM guidelines and gender responsive budgeting to promote further alignment of key functional PFM areas (planning, budgeting and resource mobilization),

- (ii) Strengthen the capacity of planners and budget officers and managers at national level and in a limited number of selected districts in performance-based budgeting and integrating SDG results into existing monitoring and budget execution systems.

These activities would not only contribute to systems reinforcement for the implementation of the INFF in Rwanda, but also indirectly will contribute to output 1 by ensuring that policies are grounded in a solid system. They also ensure continuity of the interventions beyond the lifecycle of the JP. While MINECOFIN is the lead partner under this output, the Ministry of Local Government (MINALOC), MIGEPROF, and Rwanda Management Institute (RMI) would also be key partners. This would build upon strong existing partnerships and collaboration between UNDP and UNICEF and these actors.

Expected results following the above interventions include a contribution to effective, accountable and transparent institutions at all levels (SDG target 16.6) and enhanced policy coherence for sustainable development (SDG target 17.14).

### **2.3.3. Output 2.1: Enabling environment to promote innovative financing mechanisms and SDG-aligned private sector investment and operations is enhanced**

The third output proposes four main interventions shallot bolster private sector investment in the SDGs and forge innovative partnerships for priority sectors. The interventions under this output are;

- (i) support the establishment of the Corporate Social Responsibility framework in Rwanda,
- (ii) increase the capacity of private sector and critical institutions to align business operations and investments to SDGs;
- (iii) enhance mobilization of public-private resources for SDG sensitive interventions by strengthening new private sector engagement models;
- (iv) Kick-start the operationalization of a Blended Finance Facility.

UNDP will support young entrepreneurs (women and men) to consider the SDGs in their business planning and operations. Social entrepreneurship will be supported through organizing regular networking and match-making forums, investment promotion as well as facilitation and show-casing business models.

Furthermore, UNDP and UNICEF will collaborate on developing business models and training toolkits to promote private sector engagement on SDGs, particularly in priority cross-cutting themes such as ECD, Nutrition, Gender equality and Climate change. This work will scale up existing initiatives including the roll-out of Early Childhood Development services in key industries (tea, rice), promoting women’s empowerment in local business operations through the Gender seal and partnership, and aligning business models in health and productive sectors toward climate friendly solutions.

The proposed Blended Financing facility, which the UN will support to be operational by end of 2020, will enable the government to mobilize new and additional funds and to demonstrate a “proof of concept” for innovative development financing structures together with various development partners. Specifically, the objective of the BFF will be to support the preparation, appraisal, development, and financial intermediation of bankable projects investments with potential to be financed using blended finance structures. The facility’s main functions will be to support project pipeline development, viability analysis and selection, coordination of feasibility studies, development of monitoring and results frameworks to align project designs

to SDG impact measurement requirements and brokering of bankable projects to best align resources to the needs of priority NST-1 aligned activities.

The proposed interventions will be implemented in collaboration with RDB, PSF, the MINECOFIN, the Ministry of Agriculture (MINAGRI), the Ministry of Health (MoH), the National Early Childhood Development Programme (NECDP) and the Ministry of Trade and Industry (MINICOM). Output 3 complements very well outputs 1 and 2, as it serves as extension of system strengthening in the private sector and broadening the scope of INFF as indicated in the output 1. Linkages and strong coordination will be ensured with Rwanda’s SDG Financing – Window B, component 2.

The results from the activities above will contribute to promote effective public, public-private and civil society partnerships (SDG 17.17). The activities will also contribute to having more climate change-sensitive strategies and planning (SDG target 13.2).

**2.3.4. Output 2.2. The capacity of legislative organs and citizens to monitor SDG implementation is strengthened**

The output on oversight aims to ensure that there is stronger momentum to ensure resources are used more efficiently and effectively from enhanced accountability mechanisms. The proposed interventions take into consideration the chain of accountability, spanning from the legislative arm- parliamentarians (central level), members of District Council (sub-national level) to the citizens including youth and women/girls through increased participation (beneficiaries). The planned interventions are to:

- (i) Strengthen inclusive multi-stakeholder national oversight mechanisms and dialogue platforms to facilitate transparency and accountability on SDG implementation;
- (ii) Support monitoring of SDG implementation through enhanced data analysis
- (iii) Strengthen the oversight capacity (development of tools, trainings) targeting Parliament and District Councils in public investments monitoring, accountability and social services delivery as well gender equality;
- (iv) Establish/ enhance the existing participatory budgeting tools (District level budget briefs, budget scorecard, gender budget statements) to improve the citizens’ engagement including youth and women in national and sub-national planning and budgeting processes. In the implementation of this output, the following are the key partners: the Rwandan Parliament, MINECOFIN, MINALOC and Districts, RMI, the National Institute of Statistics (NISR) and CSOs.

Towards the end of the JP, the results of the activities will have made positive contributions to ensuring a responsive, inclusive, participatory and representative decision-making at all levels (SDG target 16.7) and will have indirectly supported the reduction of youth who are out of education, training or employment (SDG target 8.6).

In summary, upon completion of the implementation of the short-term results (outputs), the projected financing structure in Rwanda will look as following: There will be a well-defined and evidence informed SDG Financing framework and associated policies, which are as much as possible gender-sensitive, to accelerate the progress towards the achievement of the NST1 and SDG implementation. The core functions (planning, budgeting and financing) will be more integrated and more aligned to promote resource efficiency gains. Additional institutional capacities will be available to ensure NST1/SDGs delivery in an equitable and sustainable manner, with a specific focus on ensuring gender-sensitivity and leaving no one behind. Rwanda will have an enabled environment to promote innovative financing mechanisms

toward SDG-aligned private sector investments. These achievements will be monitored and sustained through increased public sector accountability via strengthened capacity of legislative organs and citizens to monitor SDG implementation and to hold government accountable for results.

As the activities are devised under four outputs and expected to fit within the Government's annual planning and budgeting cycle, as well as linking directly to the ongoing Government processes starting the roll-out of the INFF, there is high level of confidence of continuity and sustainability of both the Government's ownership over the JP interventions as well as the achieved results. This key assumption is furthermore supported by the fact that, the proposed interventions are building on already existing structures and partnerships within the government (Ministries, Districts and Parliament). Furthermore, the Government of Rwanda has pledged its commitment to the INFF as a tool to support acceleration the SDGs and other national transformational agenda.

At Ministerial level, there is already a pipeline initiative to set up an INFF governance structure expanded coordination mechanism which will be overseeing the progress of the planned activities and ensuring the drive for results. At decentralized government level, there are strong accountability frameworks in place (for example the performance contracts or *Imihigo*, the Joint Action for Development Forum at every District, and oversight by District Councils) to ensure that the medium-term gains from SDG financing JP are sustainable and scalable.

## **2.4 Budget and value for money**

The Joint Programme has an overall cost of US\$ 1,867,000 for which US\$ 1,000,000 is from SDG Fund to be allocated to participating agencies in line with the detailed description of activities and detailed budget. As documented above, the value for money of this JP will be significant as it will build on existing initiatives while also catalyzing systemic change and mobilizing resources as well as enhancing partnerships.

First, the return on investment from this JP is expected to be significant due to proposed integrated approach to development financing, both at central and decentralized levels, that puts SDGs at the center of decision making in Rwanda. As stated in the problem statement, Rwanda has a national plan but its financing framework is not fully integrated to bring together all sources of finance, ensure optimum effectiveness and efficiency. This is further complemented with the efficiency and effectiveness gains that will be realized from the UN side.

The implementation of joint interventions by PUNOs will significantly reduce costs, as efforts will be carried out to leverage on existing capacity and programming of PUNOs which will reduce transaction costs and increase efficiency. For example, parallel to this project UNDP and UNICEF are supporting various divisions of the Ministry of Finance and Economic Planning with technical support and other related institutional capacity building programmes. The Joint programme will also build upon current private sector partnerships to scale up the SDGs financing that are being championed respectively by the PUNOs.

Second, the implementation of the JP will deepen and accelerate the momentum for public resource mobilization through its strategic dialogue and articulation with the work of other partners including the PFM basket fund donors as well as other key development partners such as GiZ, IMF, the World Bank and DFID's continued interest and investments in development finance which will contribute to fiscal sustainability.

Third, the JP through its innovative approach to support private sector development will facilitate private financing and ensure resources are aligned with the national development agenda. As detailed in section 1.1, Rwanda envisaged to mobilize from private sector US\$ 16.1 billion over the NST1 period. This is both from foreign and domestic investments. According to the IMF country report published in January 2020, substantial increase has been registered in new FDI<sup>14</sup> in areas such as tourism, construction materials, irrigation, and light manufacturing, which is encouraging for SDG financing. Similarly, increasing domestic private investments has achieved modest success due to the low levels of domestic savings<sup>15</sup>, as well as the informal and weak domestic private sector. With the implementation of the JP, additional funds that will complement the efforts of the Government will be mobilized through a comprehensive strategy that will unlock private sector resources.

In addition, the Joint Programme aims at scaling up engagement of the private sector through a shared value approach, among others by having a focus on gender equality and youth as one of the main areas for engaging the private sector. In this regard, UNDP has piloted a Gender Seal for the private sector which brought significant experience and lessons that can be scaled up in terms of aligning private sector investments towards gender equality enhancing business models. Complementing this effort, the initiative promotes gender mainstreaming through the financing systems, with the ultimate intention to address gender inequalities in the means of implementation of the development priorities/interventions. The JP will deepen alignment of budget with finance and ensure gender-based budgeting is fully adhered to in national budgeting as well as budgetary systems/process, public budget reviews, fully integrate SDGs targets relevant to gender equality are part of the performance-based budgeting approach adopted within the public sector.

As shown in the above sections, the proposed governance structure of the JP that is anchored on the existing national strategic structures such as the NST 1 and Vision 2050 Committee, the highest structure for multisectoral coordination, as well as the DPCG, which is the government-development partners apex platform for dialogue assuring that long term financial sustainability of the Programme after the end of the JP two years of implementation.

The JP has from the onset incorporated co-financing from all participating UN agencies to the tune of USD 867,000. As elaborated above, the governance structure of the INFF which is the heart of the JP is anchored on the multi-stakeholder partnership structure in addition to its strong linkages with existing programmes<sup>16</sup>. These programmes are strongly supported by development partners and are co-financed by the government.

The JP targets to unlock significant resources in support of development financing of NST 1 and SDGs. The efforts within the programmes to unlock this additional funding will have different approaches:

- The PUNOs within the programme will actively support to the government to mobilize additional domestic resources. This will be done through supporting high impact tax reforms, sharing lessons learned from other countries as well as capacity strengthening of key institutions. Further efficiency gains on resource use will be

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<sup>14</sup> Rwanda attracted Foreign Direct Investments (FDI) only 3.5% of GDP during the 2008-2018 period, which is insufficient compared to the desired levels.

<sup>15</sup> Domestic saving in Rwanda is half of the levels achieved by all low-income countries in Sub Saharan Africa in 2016. Saving rate has increased rather marginally, reaching 8 percent of GDP in 2015 and approaching around 11 percent in 2017.

<sup>16</sup> Such as UNDP's Innovative Development Policies and Finance for Impact (IDPFI), UNICEF's work on Strengthening Citizens' Participation in National Planning and Budgeting for Increased Transparency and Accountability in Rwanda as well as resource mobilization and partnerships for children, including strengthening collaboration with the private sector.

realized through this programme by aggressively applying advocacy efforts such as the budget briefs produced by UNICEF that flag trends in budget execution rates.

- The programme’s communication and learning and sharing plans (Annexes 5 and 6) have activities around advocacy and sharing lessons learned from the programme, which will be used to raise awareness of new potential donors. This will happen by seeking deliberate partnerships with selected stakeholders especially on the aspect of private sector engagement and innovative finance. Some examples of a possibly interested donor in the country would be the EU, who are currently considering supporting the INFF, Private sector foundations and international institutions.
- Within the programme, the PUNOs will explore options to leverage additional funding from multi-lateral funds. Specifically, climate-related multilateral fund (such as Green Climate Fund and Adaptation Fund, GEF, Adaptation funds etc.) are particularly relevant. The JP will build on the work of existing innovative initiative supported by UNDP to the Ministry for Environment.
- It is also anticipated that the JP’s innovations will lead to more efficiency. Within the programme, tools and guidelines will be developed that will continue to be used as well as scaled-up after the lifetime of the programme. Finally, the programme will be cost-effective as the PUNOs will streamline activities, such as joint engagement of the private sector.

It should be noted that the results of the above efforts may be difficult to attribute. But, during the mid-term and final report of the JP, all efforts for leveraging this additional financing and progress against this target will be included.

## **2.5. Partnerships and stakeholder engagement**

### **Stakeholder engagement**

The Rwandan government stands out as exemplary in its strong structure, clear goals, and effective commitment to reaching its goals and collaborating with development partners in the social protection framework. This provides a conducive country context for the UN to work in. The government set out a division of labour among development partners in 2010 to streamline the implementation of interventions and reduce the risk of duplication. This provides a particularly beneficial environment where government support and ownership of jointly developed programmes can reap lasting impact.

The government has a specific partnership coordination mechanism with the UN and all development partners in-country entitled DPCG, which convenes on a quarterly basis and is chaired by MINECOFIN. The DPCG is a forum where all important updates related to Rwanda’s development policy and priorities are shared and discussed. The UN Resident Coordinator is co-chair of this forum currently with USAID.

The PFM Technical Working Group meets quarterly and provides the space to coordinate and monitor interventions supporting the government’s PFM Sector Strategic Plan 2018-2024. It is complemented by a PFM Coordination Forum that meets twice a year.

The Good Governance & Decentralization (GG&D) Sector Working Group (SWG) is another useful and critical forum which brings together government, development partners including UN Agencies and civil society organizations to discuss sectoral priorities, local government financing, and implementation of District plans.

The private sector development and youth employment sector working group (PSDYE) is a broad sector with wide range of stakeholders including the private sector to promote exports

development, investment promotion, infrastructure for growth, entrepreneurship and institutional capacity building. UNDP is currently actively participating in the group.

*Table 3. Members of the key policy dialogue fora related to SDG financing*



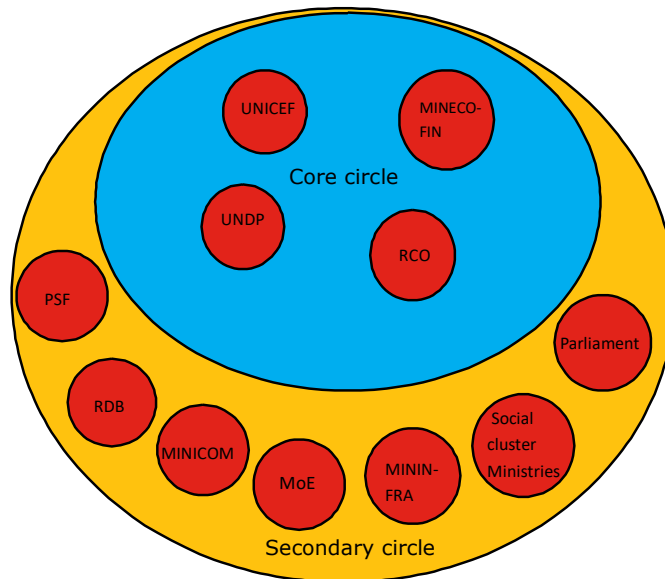
Government institutions	Development Partners	NGOs / CSOs	Private sector
<b>Development Partners Coordination Group</b>			
MINECOFIN	Embassies' Heads of Cooperation	National INGO network	Private Sector Federation
All Ministries	Heads of all bilateral agencies	Rwanda CSO platform	
Rwanda Development Board (RDB)	Heads of all multilateral agencies including EU, WB and UN		
<b>Public Financial Management Technical Working Group &amp; Coordination Forum</b>			
MINECOFIN	Enabel		
RRA	EU		
OAG	KfW		
RPPA	GiZ		
	DFID		
	UNDP		
<b>Good Governance &amp; Decentralization Sector Working Group</b>			
MINALOC	German embassy	Transparency International Rwanda	PSF
LODA	Belgian embassy	Rwanda Civil Society Platform	
MINECOFIN	GiZ	Never Again	
RGB	Enabel	Political Parties Forum	
RALGA	DFID	CCOAIB	
MIFOTRA	SDC	CARE International	
RMI	EU	SNV	
RDB	WB	IRDP	
Ombudsman	UNICEF	TROCAIRE	
Human Rights Commission	USAID	Action-aid	
Media High Council	UNDP	FANRWA	
<b>Private sector development and youth employment Sector Working Group (PSDYE)</b>			
MYCULTURE	UNDP	AKAZIKANOZE	PSF
National Youth Council	KOICA	DOT Rwanda	Chamber of young entrepreneurs
RISA	GIZ	Inkomoko	Liquid Telecom
Ministry of ICT	JICA	World Vision	ICT Chamber
WDA	SIDA	FAWE Rwanda	
BDF	ILO	Girls in ICT	
		Imbuto Foundation	

The JP will convene its core stakeholders in a Steering Committee (SC). The four core members of the Steering Committee are: RCO, UNDP, UNICEF and MINECOFIN. Furthermore, the JP SC will also have a 'secondary stakeholder circle', made up of the key government stakeholders central government ministries and institutions that are closely involved in the implementation of specific activities of the JP. They have leadership of the interventions aligned with their mandate in the area of development finance: Social Cluster Ministries and agencies, RDB, the Ministry of Environment (MoE) & National Fund for Climate Change (FONERWA) , the Ministry of Trade and Industry (MINNICOM), the Ministry of Infrastructure (MININFRA), the Rwandan Development Board, the Private Sector Federation and Parliament. Representatives of the private sector and CSOs involved in implementation, will also be included in this circle. These secondary stakeholders will convene on an *ad hoc* basis based on strategic priorities, and the SC members will be expanded by engaging them on specific elements of the JP design and implementation.

**Partnerships in the future and the relevant platforms**

The JP will leverage on PUNOs existing relationships from MINEFOCIN to strengthen the operationalization of the new Development Cooperation policy (2019) and various elements of the Integrated Financing Framework for SDGs. The DPCG will serve as an important forum to provide strategic updates on the SDG financing JP as it gathers all line Ministries and donors/development partner agencies. The PFM TWG, GG&D SWG and PSDYE SWG will serve as technical platforms for information and knowledge sharing on the JP and engagement with all relevant stakeholders, including government, NGOs / CSOs, and development partners.

Figure 6 Graph core circle and secondary circle of JP stakeholders



The PUNOs will liaise regularly with the main development partners involved in resource mobilization and PFM (EU, WB, DFID, KfW, GiZ, Enabel) as well as IMF and the World Bank to ensure harmonization of the JP interventions with ongoing initiatives implemented by development partners and strengthen synergies, under the leadership of the government.

Other stakeholders will be involved and consulted. For instance, leveraging existing partnerships with the Private Sector Federation, a wide range of private sector actors will be engaged as appropriate including financial sector, large private companies, as well as Small and Medium enterprises. UN agencies such as UNICEF and UNDP have working relations with private sector actors to come up with SDG aligned business models.

### **Beyond-country mobilization**

As the programme moves into the next stage of inception, implementation and M&E, the PUNOs will continue to pool and mobilize experts from their (sub-)regional offices and headquarter offices, as well as ensuring close collaboration with other relevant UN agencies. Furthermore, the PUNO's global expert pool will be mobilized in a timely manner, whenever necessary. Knowledge from other UN agencies not directly involved will also be mobilized.

In addition, the RCO will explore possible collaboration with the SDG Center for Africa, which is based in Kigali, Rwanda. This collaboration will provide opportunities in sharing the JP's progress and best practices during its implementation in order to foster further learning across the African region through the SDG Center's network. This investment in Rwanda will also have a spillover effect, increasing the possibilities to leverage on the SDG Fund's investment. Lessons learned from Rwanda could be shared with other countries through South-South Cooperation given the leading role played by the country including through the newly established Rwanda Cooperation Initiative (RCI) with which the UN (UNDP) has an MoU.

### **Donor engagement**

The RCO and PUNOs have strong in-country relations with several of the main global donors of the Joint SDG fund, namely: the EU, World bank, DFID, Germany, the Switzerland, the Netherlands, Sweden and USAID. The Netherlands is currently UNICEF Rwanda's biggest donor for an integrated early childhood and nutrition programme while DFID and Swiss Development Cooperation provides sizable support to UNDP for its Innovative Policy and Financing Programme.

The European Union (EU), German development bank (KfW) and Belgian development agency (Enabel) all support the PFM Basket Fund. Furthermore, EU has officially expressed interest to support Rwanda on INFF. The JP will partner with the basket fund donors in both domestic resource mobilization and PFM.

The UK Department for International Development (DFID) and German Technical Cooperation GiZ both support MINECOFIN and MINALOC to strengthen PFM systems at the Local Government level. Furthermore, DFID has a regional programme that support a deeper and more inclusive financial sector in Rwanda. The JP will enhance its partnership with DFID and GIZ towards innovative finance and deeper financial inclusion.

The PUNOs will leverage on these strong partnerships in-country and will invite the above-mentioned partners during the inception event of the programme and explore their possible involvement in the implementation of the JP. The UN has also set up an SDG Fund locally to mobilize resources for the implementation of the UNDAF in support of the NST and discussions are ongoing with donors. The Netherlands and Sweden have already contributed to the Fund, managed by the Multi-Partner Trust Fund (MPTF).

### 3. Programme implementation

#### 3.1 Governance and implementation arrangements

##### Programme governance bodies and roles

The RCO will coordinate and oversee the JP while the two PUNOs will be responsible for its implementation. In order to ensure an integrated approach towards implementation and effective coordination, the PUNOs have developed a joint work plan, see Annex 4, and designated a lead agency (UNDP) for the joint programme. On the GoR side, MINECOFIN will be the primary government lead on the programme, while the other ministries and institutions will be involved in accordance with the joint work plan activities. Government ministries and institutions will play a key role in implementation and participate in decision-making.

For programme management, a **Steering committee** is the governing body of the JP which is responsible for making decision under the management of the project through dialogue and consensus. The committee will convene on bi-annual basis informed by progress against annual work plans. The committee will be chaired by the Ministry Finance and Economic Planning (MINECOFIN), and co-chaired by the UN-Resident Coordinator. The SC will also be made up of high-level representation from the UNDP, and UNICEF

Reporting to the steering committee, a **Technical committee** chaired by UNDP will support day to day running of the project and coordination with the government. It will ensure adequate quality control of the activities as listed out in the annual work plan. Each member organization will designate a focal point to participate in technical committee meetings to be held on a quarterly basis or ad-hoc when deemed necessary

The INFF Governance at strategic level will guide and feed into the JP programme management arrangement as appropriate. It is envisioned that a high-level oversight body composed by government and stakeholders will provide strategic direction and interface with the Development Partners Coordination Group (DPCG) responsible for overseeing the entire aid coordination system as defined by national priorities and Operational Guidelines for the Aid Coordination Structures and subsequent agreements reached by the GoR and development partners.

Although four agencies and institutions (MINECOFIN, RCO, UNDP and UNICEF) make up the core membership of the JP's governing body, additional government ministries, institutions and other partners (such as NGOs and CSOs) can be invited to join technical committee meetings and in exceptional cases may join the steering committee meetings, when needed to engage on relevant agenda items. The technical committee meetings will mainly focus on peer monitoring through mutual reporting, coordination and information sharing, and joint operational planning. Specific meeting agendas will consider progress reports from each PUNO; any changes in budget allocations or in the work plan, including timeline and activity revisions; any plans regarding procurement, service and partnership contracts and expert mobilization; and any other operational issues. All issues falling within these four categories should be pre-informed, discussed and decided (if necessary) with the core members present. Specifically, the technical committee will function as a preparatory body for the steering committee. It will report directly to the committee and review draft agendas to be proposed for the steering committee meetings. Procurement and contracting activities will be communicated beforehand between agencies, in order to identify similar needs and process the procurement work jointly, where possible. This will reduce transaction time and costs.

As specified in more detail in section 3.2, annual, mid-term and final reports will be drafted based on the existing work plan and results framework. In addition to quarterly meetings, the PUNOs technical focal points will communicate and interact regularly in their daily operational work. Close collaboration between focal points will contribute to strengthening overall coordination and integration within the programme and reducing transaction costs.

### **Accountability, effectiveness and efficiency**

The overall governance structure, composed of the steering committee and technical committee, will contribute to accountability and quality assurance during implementation. Additionally, integrated and close operation at the technical level will contribute to the programme effectiveness and efficiency because the four PUNOs have built a solid track record in the area of SDG Financing, implying that their existing platforms, expertise and credibility built so far could be mobilized and shared among themselves when necessary. The RCO's experience in coordinating and overseeing the ONE UN JPs<sup>17</sup> will also be utilized in the programme's overall coordination and monitoring activities. This integrated approach to operations at the technical level will help maximize complementary and comparative advantages of the participating UN agencies.

### **Alignment with existing structures**

As outlined in chapter 2.5, PUNOs will interact with key stakeholders and development partners in the existing policy dialogue fora (DPCG, PFM TWG/CF and GG&D SWG) for the purpose of information sharing and coordination of interventions with other initiatives.

### **Government ownership**

The ownership of the JP by the GoR will be expressed through the endorsement of the proposal and reflected in the leadership role taken by MINECOFIN in the implementation of the INFF. Proposed interventions are aligned with government plans and ambitions and the monitoring of results will be done using nationally generated data to the extent possible.

The involvement of the DPCG and PFM TWG will help to ensure the programme's integration into the national development financing system while also fostering ownership and potential sustainability of the programme by the government. Every PUNO is well positioned within the DPCG at Head of Agency level, with the UN Resident coordinator serving as co-chair of the forum (chaired by MINECOFIN). PUNOs participation in the PFM TWG will be new for some agencies, as it mostly consists of bilateral and multilateral partners at present time (EU, World Bank, Belgium, Germany).

In addition, results and progress will be shared through regular periodic coordination meetings held amongst development partners working in Rwanda (at Head of Agency or Head of Cooperation level). These are co-hosted by the RCO and deal with all matters related to aid coordination and development financing. This platform serves to prepare for the quarterly DPCG meetings with the GoR. Through these various channels, PUNOs will advocate for the JP's approach and systems to be sustained and scaled up at the national level.

## **3.2 Monitoring, reporting, and evaluation**

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent [UNDP] with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

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<sup>17</sup> Rwanda was amongst the first 5 countries globally to adopt and test the ONE UN framework, where UN agencies work in an integrated and coherent way in implementing Joint Programmes.

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of JP<sup>18</sup>; and
- *Final consolidated narrative report*, after the completion of the JP, to be provided no later than two (2) months after the operational closure of the activities of the JP.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator. The Resident Coordinator will be required to monitor the implementation of the JP, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, JPs will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. JP will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund. PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After completion of a JPs, a final, *independent and gender-responsive*<sup>19</sup> evaluation will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the JP, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The JP will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the JP. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs

<sup>18</sup> This will be the basis for release of funding for the second year of implementation.

<sup>19</sup> [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners.

Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

### **3.3 Accountability, financial management, and public disclosure**

The JP will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the JP through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the JP.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund. PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

### **3.4 Legal context**

Agency name: United Nations Development Programme (UNDP)

Agreement title: Standard Basic Agreement of UNDP and Government of Rwanda

Agreement date: 2 February 1977

Agency name: United Nations Children's Fund (UNICEF)

Agreement title: Accord de Base entre le Gouvernement de la République Rwandaise et le Fonds des Nations Unies pour l'Enfance (UNICEF)

Agreement date: 24 December 1993

## D. ANNEXES

### Annex 1. List of related initiatives

Name of initiative/ project	Key expected results	Links to the JP	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
Innovative Development Policies and Finance for Impact	Capacity developed to identify and deploy innovative finance instruments and improved development cooperation policies and systems	<ul style="list-style-type: none"> <li>Strengthening MINECOFIN's capacity to develop and implement innovative development policies and diversify the development finance landscape to achieve national development objectives and the SDGs</li> </ul>	UNDP	MINECOFIN Switzerland	\$4,205,205	Madeleine Nyiratuza <a href="mailto:Madeleine.nyiratuza@undp.org">Madeleine.nyiratuza@undp.org</a>
Gender Seal for Private Sector	Gender sensitive private sector business models developed and scaled up.	<ul style="list-style-type: none"> <li>Contributes to development and adaptation of shared value approach for Private sector engagement.</li> </ul>	UNDP/UNFPA	Ministry of Gender and Family Promotion	\$100,000	Nadine Rugwe <a href="mailto:nadine.rugwe@undp.org">nadine.rugwe@undp.org</a>
Poverty Environment Action for Sustainable Development	Environment and climate change are fully Mainstreamed in National and local strategies, budgets, and plan	<ul style="list-style-type: none"> <li>Conducting strategic studies like MPI and Strategic Environment Assessment of key sectors.</li> </ul>	UNDP and UNEP	Rwanda Environment Management Authority (REMA)	\$ 1,600,000	Madeleine Nyiratuza <a href="mailto:Madeleine.nyiratuza@undp.org">Madeleine.nyiratuza@undp.org</a>
Deepening efforts to accelerate NDC implementation	Innovative projects to mobilize resources to implement NDC are mobilized	<ul style="list-style-type: none"> <li>Mobilizing resources for implementation of NDC in Rwanda</li> </ul>	UNDP	Ministry of Environment	\$ 1,600,000	Madeleine Nyiratuza <a href="mailto:madeleine.nyiratuza@undp.org">madeleine.nyiratuza@undp.org</a>
Strengthening Citizens' Participation in National Planning and Budgeting for Increased Transparency and Accountability in Rwanda.	Strengthened capacity of government (central and local level) to promote participatory planning and budgeting; Tools to disseminate information and promote engagement of citizens including children and young people in participatory planning	<ul style="list-style-type: none"> <li>Fostering accountability in public finance through budget efficiency and increased budget transparency. This project sets the stage which the JP will rely on while promoting integration among core functions of the Ministry of finance</li> </ul>	UNICEF	MINECOFIN Districts, CLADHO	\$450,000	Charlotte Taylor <a href="mailto:chtaylor@unicef.org">chtaylor@unicef.org</a>



Name of initiative/ project	Key expected results	Links to the JP	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
	and budgeting. Rwanda's International positioning in Open Budget is increased for more fiscal and budget transparency and accountability	and economic planning (Planning, budgeting, resource mobilization and engaging citizens).				
Integrated Human Capital Development Project	Scale up of comprehensive nutrition interventions; Poorest households benefit from expanded public works & skills building; ECD service for young children & families scale up; Improved water supply & sanitation services; Household have increased access to food; Improved quality & access to ante-natal and post-natal care	<ul style="list-style-type: none"> <li>• It is an integrated project covering nutrition, ECD, social protection, WASH and education</li> <li>• It is gender &amp; child sensitive</li> <li>• It is contributing to systems building</li> <li>• It is catalytic and innovative in nature</li> </ul>	UNICEF Netherlands	MoH, MINEDUC, MIGEPROF, MININFRA, MINALOC LODA, RBC, NECDP  Water and Sanitation cooperation CSOs Private Sector	\$ 27.4 million	Youssouf Koita  <a href="mailto:ykoita@unicef.org">ykoita@unicef.org</a>
Developing Human Capital programme in Rwanda: Harnessing the Power of Integrated programming for Nutrition and ECD	Businesses sensitized on child rights business principles and importance of child nutrition and ECD and investing in child-friendly workspaces.	<ul style="list-style-type: none"> <li>• Leveraging private sector investment to support the SDG agenda through a shared value approach</li> <li>• Increased Private sector investment and support to the multi-sectoral Nutrition programmes by creating linkages between businesses and projects/ECD centers</li> </ul>	UNICEF Netherlands	NAEB  AVSI (NGO)  MINAGRI  NECDP	\$ 250,000	Fiona Mugabe, <a href="mailto:fmugabe@unicef.org">fmugabe@unicef.org</a>
IMF Three-Year Policy Coordination Instrument with Rwanda (2019-2021)	The programme aims to support NST implementation, including through an eased fiscal policy stance and additional domestic resource mobilization, while also maintaining external and debt sustainability.	<ul style="list-style-type: none"> <li>• Seek to strengthen landscape to accelerate the implementation of national programmes agenda and ensure macroeconomic stability by bolstering domestic revenues over the medium term; and improving public financial management, notably</li> </ul>	IMF	Ministry of finance and Economic Planning  National Bank of Rwanda The World Bank	n/a	Samba Mbaye  <a href="mailto:RR-RWA@imf.org">RR-RWA@imf.org</a>

Name of initiative/ project	Key expected results	Links to the JP	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
		fiscal risk management and transparency.				
Provision of finance to the Rwanda Fund for Climate Change and Environment	To improve climate adaptation and low carbon development by providing finance to the Rwanda Fund for Climate Change and Environment.	<ul style="list-style-type: none"> <li>Fosters climate sensitive investments and promotes sustainability and climate resilience</li> </ul>	DFID	Ministry of Environment , FONERWA, Ministry of Agriculture	£24,559,999	Douglas Kigabo <a href="mailto:Douglas-Kigabo@DFID.gov.uk">Douglas-Kigabo@DFID.gov.uk</a>
Strengthening public financial management and revenue collection in Rwanda	To improve Local Government Public Financial Management, audit and domestic revenue generation in Rwanda	<ul style="list-style-type: none"> <li>This initiative supports the government of Rwanda in increasing the revenue base through various frameworks. It is therefore believed that, the SDG Financing JP will contribute to the areas that partly catered for especially in building stronger public financial management which will promote inclusive growth through economy, efficiency and effectiveness of the use of public resources.</li> </ul>	DFID	MINECOFIN, OAG, Rwanda Revenue Authority (RRA)	£20,099,996	DonatoPezzuto <a href="mailto:d-pezzuto@dfid.gov.uk">d-pezzuto@dfid.gov.uk</a>
Rwanda Public Finance Management Reform Project	To improve budget reliability and control of funds for service delivery, enhance budget transparency and increase professionalization of the public finance officials	<ul style="list-style-type: none"> <li>The project is initiating performance-based budgeting in Rwanda. The proposed intervention will scale the performance-based budgeting across all government agencies and decentralized entities with the aim of ensuring that the financing is result driven.</li> <li>Proposed interventions will extend support to build capacity of government officials and extending integration of core functions from budgeting, planning to</li> </ul>	World Bank	Ministry of Finance and Economic Planning	\$ 20,000,000	Mkombozi Bosco Karake <a href="mailto:mkarake@worldbank.org">mkarake@worldbank.org</a>

Name of initiative/ project	Key expected results	Links to the JP	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
		resource mobilization and efficiency in public finance.				
PFM basket fund	Support to the PFM Sector Strategic Plan 2018-2024	<ul style="list-style-type: none"> <li>Support to the 7 strategic objectives of the PFM SSP with an emphasis on systems, procedures &amp; guidelines and capacity building</li> </ul>	MINECOFIN Enabel, EU, KfW	RPPA, OAG, RRA		Meissa Ndir <a href="mailto:meissa.ndir@enabel.be">meissa.ndir@enabel.be</a>
Macroeconomic and investment programme	Support establishment of a fully-fledged tax policy Unit. The national investment policy is implemented, and transparency of investment decisions and efficiency of public investments have improved. EPRN organized annual conferences	<ul style="list-style-type: none"> <li>Incorporation of income distribution, employment and gender in macroeconomic projection</li> <li>Capacity development in investment appraisal</li> </ul>	German Cooperation (GIZ-Rwanda)	MINECOFIN	EUR 5 million	Dr. Jan Miksch <a href="mailto:jan.miksch@giz.de">jan.miksch@giz.de</a>
Good Governance and Decentralization programme	Conditions for increasing the share of resources over which districts have discretionary power have been created. The conditions for systematic sector decentralization have been created. The capacities of relevant actors for participatory local processes have been strengthened	<ul style="list-style-type: none"> <li>The project aims to increase the capacity of Districts in the management of fiscal space and fostering the transparency and accountability of government funds.</li> </ul>	GIZ-Rwanda	MINECOFIN Ministry of Local Government (MINALOC), Rwanda Revenue Authority (RRA)	EUR 8 million	Ulrich Berdelmann, <a href="mailto:Ulrich.Berdelmann@giz.de">Ulrich.Berdelmann@giz.de</a>

## Annex 2. Results Framework

### 2.1. Targets for Joint SDG Fund Results Framework

**Joint SDG Fund Outcome 2:** Additional financing leveraged to accelerate SDG achievement

Indicators	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope <sup>20</sup>	TBD	TBD
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale <sup>21</sup>	TBD	TBD

These targets are to be defined within the 6 months of implementation.

**Joint SDG Fund Output 4:** Integrated financing strategies for accelerating SDG progress implemented

Indicators	Targets	
	2020	2021
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	1
4.2: #of integrated financing strategies that have been implemented with partners in lead <sup>22</sup>	0	1
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	1	1

#### Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country<sup>23</sup>
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other Joint Programmes in the country in question
- Annual % of financial delivery
- Joint Programme operationally closed within original end date
- Joint Programme financially closed 18 months after their operational closure
- Joint Programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)

<sup>20</sup> Additional resources mobilized for other/ additional sector /s or through new sources/means

<sup>21</sup> Additional resources mobilized for the same multi-sectoral solution.

<sup>22</sup> This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

<sup>23</sup> Annual survey will provide qualitative information towards this indicator.

- Joint Programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
- Joint Programme featured gender results at the outcome level
- Joint Programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint Programme planned for and can demonstrate positive results/effects for youth
- Joint Programme considered the needs of persons with disabilities
- Joint Programme made use of risk analysis in programme planning
- Joint Programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

## 2.2. Joint Programme Results framework

Result / Indicators	Baseline	2020/21 Target	2021/22 Target	Means of Verification	Responsible partner
<b>Outcome 1 Rwanda will have created a stronger financing architecture to accelerate progress toward SDG implementation and the national development agenda</b>					
Outcome Indicator 1.1: Extent to which INFF is operationalized in Rwanda	Government committed to develop INFF and a concept note available.	INFF Road map developed and approved.	Target: INFF developed and approved	Government of Rwanda report	<b>UNDP</b> UNICEF
<b>Output 1.1 GoR- SDG Financing framework and associated policies are refined to accelerate progress towards the NST1 and SDG implementation</b>					
Output Indicator 1.1.1: Number of policies and frameworks developed and revised.	0	1	2	IMF and Government of Rwanda Report	<b>UNDP</b> UNICEF
Output Indicator 1.1.2: Number of gender sensitive assessments and reviews nationally validated from which recommendations are included in the resource mobilization strategy and	0	1	2	IMF Country Reviews and assessment reports Government reports	<b>UNDP</b> UNICEF

Result / Indicators	Baseline	2020/21 Target	2021/22 Target	Means of Verification	Responsible partner
other national planning frameworks.					
Output indicator 1.1.3. Number of budget analysis or costing analyses conducted on cross-cutting thematic areas such as ECD, Nutrition, Climate change	0	1	1	Government reports or citation in budget statements	<b>UNICEF</b> UNDP
<b>Output 1.2 National planning, budgeting and financing processes are more aligned and institutional capacity is strengthened to accelerate NST1/SDGs delivery</b>					
Output Indicator 1.2.1: Number of government staff using innovative approaches to implement NST1 and SDGs (disaggregated by sex).	0	30	40	Training Assessment report	<b>UNICEF</b> UNDP
<b>Outcome 2: Resources for the achievement of the national development and SDG agenda are mobilized and managed effectively</b>					
Outcome Indicator 2.1: Annual increase of the national budget (%)	7	10	11	State Finance law	<b>UNDP</b> UNICEF
<b>Output 2.1 Enabling environment to promote innovative financing mechanisms and SDG-aligned private sector investments and operations is enhanced.</b>					
Output Indicator 2.1.1 Number of blended finance mechanisms established	0	0	1	Government of Rwanda budget briefs and Medium expenditure frameworks	<b>UNDP</b> UNICEF
Output Indicator 2.1.2 A framework to engage private sector on integrated SDG based business models.	NA	0	1	Annual report of UN and PSF annual report	<b>UNDP</b> <b>UNICEF</b>

Result / Indicators	Baseline	2020/21 Target	2021/22 Target	Means of Verification	Responsible partner
<b>Output 2.2 The capacity of legislative organs and citizens to monitor SDG implementation is strengthened</b>					
Output Indicator 2.2.1: Number of accountability actors empowered to monitor SDG implementation (Parliament, District council, citizens)	NA	60 Parliamentarians, 20 District council members, 50 youth committee members	30 District council members, 50 youth committee members	One UN Report	<b>UNICEF</b> UNDP
Output Indicator 2.2.2: Number of participatory and gender sensitive budgeting tools adopted and enhanced.	1	1 (enhancement of existing Tool)	1 (enhancement of existing Tool)	UNICEF annual report	<b>UNICEF</b> UNDP

### Annex 3. Gender marker matrix

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
N°	Formulation			
1.1	Context analysis integrate gender analysis	<b>2</b>	<p>While the Government of Rwanda has achieved outstanding progress overall regarding advancing gender equality, particularly in planning and budgeting (i.e. it has fully institutionalized Gender Responsive Budgeting), these systems and tools can be strengthened. The context analysis shows that institutional capacities around gender mainstreaming in public financial management are uneven across different levels of government, and that accountability mechanisms can be reinforced to ensure that institutions use public resources in a manner that benefits both men and women and boys and girls on an equal basis. Systemic and institutional capacity gaps exist across the financing spectrum to achieve SDG 5, particularly in the role of and contribution of private actors. The Joint Program has been designed to bridge reported gaps, through its interventions to increase voice, decision-making and participation by accountability actors over SDG financing and constructively engaging private sector to highlight new opportunities to promote gender-sensitive business operations and CSR.</p>	Programme progress report
1.2	Gender Equality mainstreamed in proposed outputs	<b>3</b>	<p>Through UN support to the INFF as the main entry point, gender equality will be mainstreamed through an integrated approach. The outputs build upon existing systems and tools being used across planning, budget and financing (both at central government and at decentralized levels) such as gender-responsive budgeting and will increase their gender sensitivity including through further alignment between planning and budgeting.</p> <p>Key activities in this regard include:</p> <ul style="list-style-type: none"> <li>Refined medium-term costing scenarios of NST1 and SDG investments and targets to reflect gender responsiveness.</li> </ul>	Programme progress report



			<ul style="list-style-type: none"> <li>• Revision of PFM guidelines and gender responsive budgeting to support INFF implementation</li> <li>• Strengthening private sector SDG engagement models through a shared value approach to leave no one behind, including focus on the empowerment of women and girls. Focus will be on scaling up existing Early Childhood Development corporate partnerships and broader coverage and compliance to the UN gender seal campaign.</li> <li>• Enhancing the engagement of young women and girls in existing participatory planning and budgeting processes (e.g., planning consultations, gender budget statements) to improve citizen participation and equal representation.</li> <li>• Through the development of new guidelines for district-level budget briefs and their piloting, it is expected that gender-sensitive plans and budgets can be monitored more effectively.</li> <li>• Gender sensitivity and leadership by women will also be incorporated into the activities designed to strengthening the capacity of legislative organs and citizens to monitor SDG implementation</li> <li>• SDG-5 aligned investments have been already strongly supported to date in Rwanda around blended finance pilots and the proposed activities to strengthen the regulatory framework and centralized project development and brokering of transactions will continue to emphasize this as a key criterion for success.</li> </ul>	
1.3	Programme output indicators measure changes on gender equality	2	About one-third of all proposed output indicators illustrate how gender equality will be tracked toward the attainment of expected results. This will enable the UN and GoR to more effectively measure changes in gender equality and the empowerment of women in line with overall national SDG targets including SDG 5. Existing institutions and national champions for data to address the SDGs such as NISR will be also directly engaged in the INFF process and the JP activities in particular related to strengthening monitoring and accountability.	Programme progress report

2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	<p>The Ministry of Gender and Family Promotion (MIGEPROF) and the National Development Planning and Research department of the Ministry Finance and Economic Planning (MINECOFIN) were both consulted on integrating gender equality and women’s’ empowerment as part of the country analysis and JP design. These are the main government champions for the issue including mainstreaming gender into budgeting and national financing frameworks.</p> <p>They both shall actively participate in monitoring of the expected results.</p>	Programme progress report
2.2	PUNO collaborate and engages with women’s/gender equality CSOs	2	<p>The partnership analysis shows a favorable enabling environment for collaboration and partnership with CSOs in gender equality, mainstreaming and GEWE in the area of policy formulation, programme development and evaluation processes. Under the JP, the PUNOs will engage with two specialized CSOs active in gender equality, and key advocates on the issue in the country, namely RWAMREC and Pro-Femme Twese Hamwe in the implementation of this JP. The PUNOs will seek various ways to collaborate and engage them in the activities and they may be invited to project meetings as appropriate and necessary.</p>	Programme progress report
3.1	Programme proposes a gender-responsive budget	2	<p>Gender will be mainstreamed into the majority of activities and outputs. Specifically, gender-sensitive budget tools and innovative financing approaches will be supported. Roughly 47 per cent of the total budget including PUNO contributions directly contribute to outcomes that will contribute to gender equality and women’s empowerment.</p>	Programme progress report
<b>Total scoring</b>		<b>2</b>		

## Annex 4. Budget and Work Plan

### 4.1 Budget per UNSDG categories

The largest share of the SDG fund budget (about 40 percent) will be allocated towards contractual services (UNDG item 4) in the Joint programme, as a number of key activities will require support from external experts who will work in close collaboration with the PUNOs and the government. Transfers and grants to counterparts (UNDG item 6) for activities implemented directly by government and other identified implementation partners comprise the second highest category (31 percent). These transfers also include technical assistance that would be directly contracted by government entities for capacity building initiatives as well as foreseen materials and equipment.

Budget revisions that include reallocations between UNDG categories are allowed. In accordance with the proposed guidance of the Joint SDG Fund Secretariat, no approval from Headquarters is required except in the case of changes of allocations between PUNOs. However, it is recommended that budget reallocations between UNDG categories and JP outputs that go beyond 25 per cent seek the approval from the JP steering committee at country level. Further details will be formalized in the Terms of Reference for the SC upon the launch of the joint programme. Any changes made at country level need to be communicated to the Joint SDG Fund Secretariat for their information and record keeping.

UNDG BUDGET CATEGORIES	PUNO 1:UNDP		PUNO 2:UNICEF		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	39,191	517,000	19,000	350,000	58,191	867,000
2. Supplies, Commodities, Materials	0		20,769		20,769	
3. Equipment, Vehicles, and Furniture (including Depreciation)	0		-		0	
4. Contractual services	279,000		140,000		419,000	

5.Travel	0		31,000		31,000	
6. Transfers and Grants to Counterparts	172,557		143,063		315,620	
7. General Operating and other Direct Costs	70,000		20,000		90,000	
<b>Total Direct Costs</b>	<b>560,748</b>		<b>373,832</b>		<b>934,580</b>	
8. Indirect Support Costs (Max. 7%)	39,252		26,168		65,421	
<b>TOTAL Costs</b>	<b>600,000</b>	<b>517,000</b>	<b>400,000</b>	<b>350,000</b>	<b>1,000,000</b>	<b>1,867,000</b>
<b>1st year (SDG Fund)</b>	<b>280,000</b>		<b>220,000</b>		<b>500,000</b>	
<b>2nd year (SDG Fund)</b>	<b>320,000</b>		<b>180,000</b>		<b>500,000</b>	

#### 4.2. Budget per SDG targets

The table below outlines a rough distribution of anticipated budget per SDG target recognizing that many activities, particularly in relation to system and institutional strengthening are cross-cutting around the SDGs. In particular, gender sensitive and pro-poor lenses will be applied to all interventions and have been mainstreamed into the Joint Programme outputs.

SDG TARGETS		%	USD
1.b	Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	10	182,400
5.c	Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	3	62,700
8.1	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	3	64,390
8.6	By 2020, substantially reduce the proportion of youth not in employment, education or training	2	32,789
13.2	Integrate climate change measures into national policies, strategies and planning	10	185,250
16.6	Develop effective, accountable and transparent institutions at all levels	9	159,600
16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels	20	373,657
17.1	Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	11	211,014
17.4	Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress	7	136,800
17.14	Enhance policy coherence for sustainable development	6	114,000
17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	18	344,400
<b>TOTAL</b>		100	1,867,000
<b>Total budget= SDG Fund+PUNO contribution</b>			

The largest share of the budget by SDG category relates to goal 17, because the core emphasis of the programme on supporting the elaboration and implementation of integrated financing frameworks entails that quite a number of activities will directly contribute to more coherent and effective policies and strategies around development financing and cooperation that entail strengthening partnerships. As a global pioneer of the INFF, the diagnostic assessments

and expected revisions to PFM guidelines, tools, and other procedures that Rwanda will implement with support from the SDG Fund will directly translate into improvements along the indicators agreed for SDG17 in terms of strengthening revenue generation and maintaining debt sustainability while increasing overall levels of resources available for financing priority national investments.

The second largest share of the budget by SDG category relates to goal 16. Given the strong focus on reinforcing the governance structures (including planning and monitoring systems) to realize the SDGs, as well as more transparency around resource allocations, the largest share of budget (29 percent) addresses SDG 16, in relation to strengthening institutions and systems for effective service delivery and promoting more responsive, inclusive decision-making at all levels. Outputs related to outcome area 2.2. are also largely focused on building the capacity of accountability actors to play an effective role in aligning the needs of all citizens including the most vulnerable in the national planning and SDG agenda. In this regard, as Rwanda is a global pilot country for SDG 16 it is both noteworthy and reasonable that One-UN support through this Joint Programme is well aligned to the country's decision to take on a leadership role for this SDG.

The third largest category relates to supporting frameworks that are pro-poor and gender-sensitive, that would be achieved primarily through budget analyses and tools as well as private-sector engagement models. Similarly, about 10% of the budget will be devoted to mainstreaming climate action and risk management not only in budget plans, but also refining these in terms of the costing of NST1 goals, and in UN support to GoR for piloting innovative financing instruments and mechanisms. Again, it is noteworthy and reasonable to align UN support in this area, as Rwanda is already actively pioneering efforts on the Continent in this regard, and these will be enhanced through technical assistance and institutional support to ensure its leadership can be maintained and replicated in other countries.

### 4.3. Work Plan

Outcome 1: Rwanda will have created a stronger financing architecture to accelerate progress toward SDGs and national development agenda

Output	Annual target/s		List of activities	Time frame				PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved		
	2020	2021		1 Q	2 Q	3 Q	4 Q	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)	
				1 Q	2 Q	3 Q	4 Q							
<b>Output 1.1. GoR SDG Financing Strategy and associated policies refined to accelerate the progress towards the NSTI and SDG implementation</b>	1.1.1	1.1.1	1.1.1. Undertake an assessment and model national financing flows to inform the development of an integrated financing framework						Consultancy (25k), workshops (10k)	45,000	50,000	95,000	UNDP	MINECOFIN
	1.1.1	1.1.1	1.1.2. Strengthen the policy and regulatory framework for blended finance mechanisms in Rwanda						Consultancy (25k): Workshop (15k) Policy Review, create laws regulatory framework) Y2: Develop/Update, legal regulatory framework,	35,000	0	35,000	UNDP	MINECOFIN
	1.1.1	1.1.1	1.1.3. Support the elaboration of a resource mobilization strategy						International and national consultations , workshops	24,191	50,000	74,191	UNDP	MINECOFIN
	1.1.2	1.1.2	1.1.4. Provide technical support to the mid-term review (MTR) of NSTI and building scenarios to inform the second phase of NSTI and beyond.						International and national consultancy firm (review NST, develop scenarios). Workshops (25k)	30,000	130,000	160,000	UNDP	MINECOFIN
	1.1.3	1.1.3	1.1.5. Update fiscal space for social sectors and conduct other PFM diagnostic works (WASH, health and education and Environment and natural resources sectors) to enhance more efficient and effective budget allocations						Joint activity by UNDP and UNICEF International consultancy fees Dissemination workshop costs Report printing cost Communication costs Training costs	105,000	68,000	173,000	UNDP UNICEF	MINECOFIN, MINALOC, NECCP, MINEDEC, RRA, MININFRA, MINISANTE, Ministry of Environment Districts/Ministry of Environment
	1.1.3	1.1.3	1.1.6. Refine medium-term cost scenarios of NSTI and SDG targets, with a special focus on integrated and multi-sectoral thematic areas such as ECD, nutrition, climate and disaster risk management.						Joint Activity by UNDP-UNICEF will cover ECD related costing and budget tracking system, as well as WASH infrastructure/investment analysis for sustainability and climate resiliency: Specifically the cost will cover the following items: - Internal consultancy cost and National consultancy cost - Stakeholders-workshop cost - Findings dissemination cost - Travel related costs	80,000	30000	110000	UNICEF, UNDP	MIGEPROF, NECCP, MINECOFIN
<b>Output 1.2 Institutional capacity (human, systems and tools) are strengthened to accelerate NSTI/SDGs delivery</b>	1.2.1	1.2.1	1.2.1. Develop guidelines, tools and innovative mechanisms to strengthen fiscal management systems and align SDGs to public investment planning and budgeting						Joint activity with UNICEF. UNDP (50K: develop/ upgrade PFM system's tools , develop guidelines: TA + Workshops /consultancy, tools and equipment/materials	110,000	50,000	160,000	UNDP and UNICEF	MINECOFIN
	1.2.1	1.2.1	1.2.2.Strengthen the capacity of planners and budget managers at national and in selected districts in performance-based budgeting, and integrating SDG results into existing monitoring and budget execution systems						Training Modules, fees Training cost Monitoring and Evaluation costs Workshop costs	45,000	35,000	80,000	UNICEF	MINECOFIN, MINALOC, Districts, RRI

Outcome 2: More resources for the achievement of the national development and SDG agenda are mobilized and managed effectively

Output	Annual target/s		List of activities	Time frame				PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved		
	2020	2021		1 Q	2 Q	3 Q	4 Q	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)	
				1 Q	2 Q	3 Q	4 Q							
<b>Output 2.1. Enabling environment to promote innovative financing mechanisms and SDG-aligned private sector investment and operations is enhanced.</b>	2.1.2	2.1.2	2.1.1. Support the establishment of the Corporate Social Responsibility framework in Rwanda.						Workshop, consultancy, expert (the same in the next activity)	25,000	0	25,000	UNDP, UNICEF	MINECOFIN
	2.1.2	2.1.2	2.1.2. Increase the capacity of private sector to align business operations and investments to SDGs						WITH UNWOMEN, gender seal in private sector. Staff (Expert in private sector development) workshops	40,000	0	40,000	UNDP UNWOMEN UNICEF	PSF
	2.1.2	2.1.2	2.1.3. Enhance mobilization of public-private resources for SDG sensitive interventions by strengthening new private sector engagement models						Joint Activity: Communication and awareness raising Workshop costs, Local consultancy cost for developing models on climate friendly business and gender seal, workshop costs and Travel related cost	70,000	50,000	120,000	UNICEF, UNDP	MINECOFIN, PSF, NECCP, Districts, NAEB, RAB
	2.1.1	2.1.1	2.1.4. Kick-start the operationalization of a Blended Finance Facility.						Workshop, consultancy and equipment	90,000	200,000	290,000		
<b>Output 2.2 The capacity of legislative organs and citizens to monitor SDG implementation is strengthened</b>	2.2.1	2.2.1	2.2.1. Strengthen inclusive multi-stakeholder national oversight mechanisms and dialogue platform to facilitate transparency and accountability of SDG implementation.						- Workshop cost, materials - travel related costs	19,000	9,000	28,000	UNICEF, UNDP	Parliament, MINECOFIN, CLADHO, MINALOC, Districts
	2.2.1	2.2.1	2.2.2. Strengthen the oversight capacity (development of tools, training) targeting Parliament and District Councils in public investments monitoring, accountability and social services delivery						Workshop cost Dissemination cost UNDP and UNICEF. UNDP budget is 20K	53,832	65,000	118,832	UNDP UNICEF	Parliament, MINECOFIN, CLADHO, MINALOC, Districts
	2.2.2	2.2.2	2.2.3. Establish enhance the existing participatory budgeting tools (district level budget briefs, budget scorecards, gender budget statements) to improve the citizen engagement including youth and women in national and sub-national planning and budgeting processes.						Consultancy and workshop costs Travel related costs Dissemination costs Training Cost	72,557	70,000	142,557	UNICEF, UNDP	Parliament, MINECOFIN, CLADHO, MINALOC, Districts
	2.2.2	2.2.2	2.2.4. Support monitoring of SDGs implementation through data generation and analysis						Analysis cost Workshop costs Dissemination cost	20,000	60,000	80,000	UNICEF	NISR

Joint programme management	List of activities	Time frame				PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved		
		1 Q	2 Q	3 Q	4 Q	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)	
Communication Plan	Details available in annex						Contractual services, donor visits, printing, workshops	33,000	0	33,000	UNDP, UNICEF	MINECOFIN
Learning & Sharing Plan	Details available in annex						Workshops, reporting, external evaluation, printing, dissemination	37,000	0	37,000	UNDP, UNICEF	MINECOFIN
<b>Budget summary</b>												
Direct costs								934,579,50	0	1,801,580	UNDP, UNICEF	
Indirect costs (HQ)								65,421	0	65,421	UNDP, UNICEF	
<b>Grand total</b>								1,000,000	867,000	1,867,000		

## Annex 5. Risk Management Plan

The risk management strategy is based on the risk assessment as shown in the table below. The risk assessment was carried out by the PUNOs to identify specific risks that can influence the planned timeline and programmed interventions. The risk management strategy includes several mitigation measures specifically developed against the risks identified and outlined in the table below.

The risk assessment will be revised during the Mid-term Review of the programme and earlier, based on evolved needs, changes and occurrence of identified risks. This will be documented in the Mid-term Review report.

Risks are categorized as being contextual, programmatic, institutional or fiduciary. The mitigation measures are reliant on strong coordination and involvement of all relevant stakeholders at different levels of implementation. This links directly to section 2.5 and 3.1 where coordination mechanisms and involvement of different stakeholders is covered.

Part of the risk management strategy is the safeguarding of the UN Charter principles during the implementation of the programme and ensuring that international humanitarian, human rights, and refugee laws are respected. Specific attention will be given to Prevention of Sexual Exploitation and Abuse (PSEA), and the Harmonized Approach to Cash Transfers (HACT) compliance where applicable, as well as application of national Laws and Regulations as appropriate. Specific measures on PSEA include a passing of the PSEA e-course developed by UNICEF in 2018 that will be mandatory for all direct government partners, and NGO implementing partners and potential suppliers involved in the programme. This follows the new UNICEF Strategy to Prevent and Respond to Sexual Exploitation and Abuse and Sexual Harassment (2019)<sup>24</sup>. All involved implementing partners and potential consultants will fall under the recently enhanced reporting and response mechanism installed by UNICEF.

Furthermore, PUNOs will carry out due diligence including a rigorous reference-check prior to entering into a partnership with an organization or individual for programme implementation. Each will ensure they do not appear on the United Nations Security Council Consolidated List that includes all individuals and entities subject to measures imposed by the Security Council. A Complaint and Feedback Mechanism (CFM) for beneficiaries is included in regular assessment of NGOs/CSOs with whom PUNOs engage in partnership.

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<sup>24</sup><https://www.unicef.org/sites/default/files/2019-05/UNICEF-Strategy-Prevent-Respond-Sexual-Exploitation-Abuse-Sexual-Harassment-January-2019.pdf>



Risks	Risk Level	Likelihood	Impact	Mitigating measures	Responsible Org./Person
Contextual risks					
<p>Implementation delays may arise due to external, contextual risk factors beyond UN control requiring key stakeholders to shift their focus and capacities away from the programme. Among the potential risks identified include increased prevalence of climate-related shocks and natural disasters (drought, landslides, pestilence outbreak) in Rwanda and public health emergencies. Like other countries, for example, COVID-19 pandemic is affecting Rwanda and may have significant socio-economic effects. If not subdued in the short term, this may affect the medium-term financing landscape and outcome areas.</p>	Low	2	2	<p>Strong coordination and collaboration with all partners will be maintained, having the Steering Committee as a decision-making organ in place, which includes government partners and can act fast on any changes in context.</p> <p>The M&amp;E and reporting systems of the Joint programme are also linked to Government annual targets as much as possible, which will ensure commitment of the Government to the programme, in case of a change in context.</p> <p>UNDP and UNICEF will be involved in an ad hoc Technical Working Group on monitoring the socioeconomic impact related to COVID-19 and supporting UN support toward a broader GoR response. The agencies will engage in continuous dialogue with MINECOFIN and line Ministries to ensure essential services and protection of most vulnerable groups is</p>	RCO

Risks	Risk Level	Likelihood	Impact	Mitigating measures	Responsible Org./Person
				reflected in budget allocations and potential fiscal support measures in FY 2020/21.	
<b>Programmatic risks</b>					
The timing and the quality of the outputs could be affected by limited engagement by non-core stakeholders.	Medium	2	3	The programme builds as much as possible on synergies and complementarities with other ongoing partnerships and programmes to avoid overlaps and to ensure limited incentives of this particular programme may be obviated by other programmes.	MINECOFIN, UNDP, UNICEF
<b>Institutional risks</b>					
Changes in mandate of government ministries and agencies.	Low	2	2	The Rwanda UNCT will actively involve government stakeholders from the planning stage through regular meetings, as well as by ensuring the ownership of the lead ministry on coordination around social protection.  As indicated in sections 2.4 and 3.1 on stakeholders and governance, the DPCG will be used as a platform to keep a large number of affiliated ministries and agencies informed on the programme.	RCO, MINECOFIN
<b>Fiduciary risks</b>					
The co-funding of the programme by the different PUNO's is reliant on	Low	1	3	The estimates of co-funding per PUNO in the budget are	UNDP and UNICEF

Risks	Risk Level	Likelihood	Impact	Mitigating measures	Responsible Org./Person
<p>their yearly allocation of regular resources, and in some cases the approval of pipelined projects, funded by external donors.</p>				<p>very conservative. They are based on both secured funding and the trend of annual regular resources allocated over 2020–2021. Furthermore, the programme’s financial strategy (section 2.4) aims to leverage on initial programme results and unlock additional funding for the social protection sector.</p>	
<p>The limited fiscal space to expand Government’s investment in the NST and SDG agenda may hinder the sustainability of the results.</p>	<p>Medium</p>	<p>2</p>	<p>3</p>	<p>The programme will invest in efforts to support the development of relevant resource mobilization and sector financing strategies and to broaden partnership with other stakeholders to increase or, to a minimum, maintain the current investments in NST priorities.</p>	<p>MINECOFIN, UNDP, UNICEF</p>