

RWANDA'S GREEN TAXONOMY

OVERVIEW

Fostering Transparency
Ensuring that sustainability reporting is comprehensive and timely

Building Trust and Accountability
Ensuring confidence in Rwanda's green investment opportunities

Preventing Greenwashing
Ensuring Rwanda's green growth is tangible and impactful

SUMMARY

Taxonomies help in identifying and classifying sustainable economic activities. They are used globally to create a uniform standard for sustainability in the financial sector and to establish transparency and comparability of sustainable investments so that greenwashing can be prevented and capital channeled into sustainable economic activities.

Rwanda's Green Taxonomy is a framework that aims to define sustainability criteria, foster shared understanding and trust on what constitutes a green investment, as well as prevent greenwashing.

Rwanda's green taxonomy working paper was developed in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which provided support on behalf of the German Federal Ministry for Economic Cooperation and Development. Technical expertise was provided by the Climate Bonds Initiative and Ambire Global.

WHAT IS RWANDA'S GREEN TAXONOMY?

Rwanda is pursuing a green growth approach for development and requires an estimated USD 11 billion to achieve the goals outlined in the country's 2030 Climate Action Plan, known as National Determined Contributions (NDCs) under the Paris Agreement. Attracting this level of investment, from both the public and private sectors, requires a clear definition of "sustainable."

Rwanda's Green Taxonomy is being developed in phases. The first phase includes the four key economic sectors of agriculture, construction, transport and energy that significantly contribute to climate change mitigation or climate change adaptation. In future, additional sectors (such as water, waste, manufacturing, ICT) will be included and the adaptation component strengthened.

Rwanda's taxonomy is developed in close alignment with international best practices and modelled on the Colombian, EU and South African taxonomies. The development of a globally harmonised green taxonomy is key for the mobilisation of both local and international capital to help Rwanda decarbonize its economy and strengthen its resilience.

To enable this and promote green investment, Rwanda is developing a Green Taxonomy, a policy instrument that provides clear, relevant and actionable guidance for the market.

WHAT IS IT AIMING TO ACHIEVE?

The framework aims to define sustainability criteria, foster a common understanding, build trust, and prevent greenwashing. In doing so, it is expected to unlock substantial green investments, contributing to Rwanda's vision of being a climate-resilient and carbon-neutral economy by 2050.

Rwanda's Green Taxonomy will lay a strong foundation for the country's green transformation, the creation of new industries and effort to position Rwanda as the sustainable finance hub of East Africa. Once completed, it will be the second taxonomy in Africa, following South Africa.

WHO WILL USE RWANDA'S GREEN TAXONOMY AND HOW?

Rwanda's Green Taxonomy will be used by different stakeholders in diverse ways.

- **Policymakers**
- **Banks and financial institutions**
- **Investors**
- **Regulators**
- **Issuers of green bonds**
- **General public**

Possible application avenues include the below. Related guidance will follow duly:

- **Adaptation of state policies and fulfilment of international commitments**
- **Standards for green bonds and loans**
- **Disclosure regulations**
- **Green budget tagging**
- **Insurance and management of environmental risks**
- **New stock market products**



"Rwanda's taxonomy is a powerful policy instrument that will make a significant contribution to achieving climate goals. The creation of Rwanda's taxonomy lays a strong foundation for the country's green transformation efforts. It creates a direct link between the economy and the financial market, it can help a country achieve its NDC Climate Action Plan and it establishes a guide to attract funds from climate-conscious investors."

Dr Jeanne d'Arc Mujawamariya
Minister of Environment, Rwanda

MORE INFORMATION

Learn more about Rwanda's Green Taxonomy at **www.minecofin.gov.rw/rwandagreentaxonomy**

View photos of Rwanda's Green Taxonomy showcase at COP28 **Here**

Watch highlights of Rwanda's Green Taxonomy showcase at COP28 **Here**

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