

Republic of Rwanda

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RWANDA'S GREEN TAXONOMY

December 2023



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Objective of Rwanda's Green Taxonomy



Mobilise capital in pursuit of a green transformation and establish Rwanda as a sustainable finance hub.

Global Outlook

More than

35

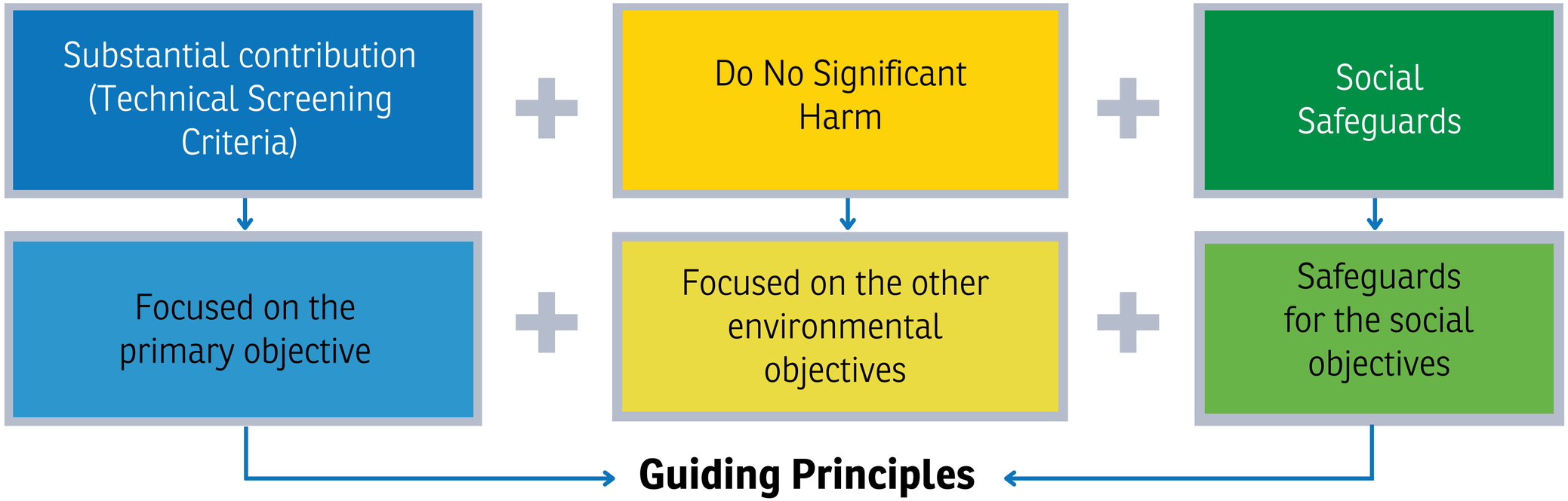
taxonomy projects worldwide, hence the importance of **interoperability**



Fuente: UNEPFi

Key Elements of Rwanda's Taxonomy

Objectives → Sectors → Economic activities



Sectoral Prioritisation

STEP 1
Review of global and regional taxonomies

- EU
- CBI
- Colombia
- South Africa

STEP 2
Review of key national policies and Ireme Invest classification system

- Rwanda´s NDC
- Rwanda's Green growth and Climate Resilience Strategy
- Environment and Climate Change Policy
- Vision 2050
- Ireme Invest Eligibility Criteria

STEP 3
Analysis of Rwanda's economic and emission data

- Greenhouse gas emissions (GHG)
- Gross Domestic Product (GDP)
- Estimated investment by 2030

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8 key sectors that significantly contribute to climate change mitigation and adaptation

Sectors with the greatest opportunities to reduce GHG emissions

PHASE ONE



AGRICULTURE, LIVESTOCK AND FORESTRY
The agricultural sector employs over 70% of the working population (NISR, 2014) and represents the largest contributor to national GDP. It is the sector with the highest emissions and the greatest need for adaptation.



CONSTRUCTION
Green urbanization and low carbon urban settlements are priorities in Rwanda's Green Growth and Climate Resilience Strategy (GGCRS).



ENERGY
Increasing investment in generating capacity and improving access to electricity represent important energy policy aims in Rwanda



TRANSPORT
Green mobility is one of the priorities of the National Enviroment and Climate Change Policy.

PHASE TWO



IPPU (MANUFACTURING)
There is a need to boost green industry and private sector investment. The sector represents 2% of total emissions.

WATER
Need to transform intensive treatments. Universal access to high quality services



WASTE
Need to transform intensive treatments. Universal access to high quality services



ICT
Leverage technology to advance green technology

Energy Sector Activities

Electricity generation

- Electricity generation using solar photovoltaic technology
- Electricity generation using concentrated solar power (CSP) technology
- Electricity generation from wind energy
- Electricity generation from ocean energy technologies
- Electricity generation from hydropower
- Electricity generation from geothermal energy
- Electricity generation from bioenergy
- Energy from Biomass cookstoves

Transmission and distribution

- Electricity transmission and distribution
- Transmission and distribution networks for renewable and low-carbon gases
- Thermal districts

Storage

- Storage of electricity
- Thermal energy storage
- Low-carbon hydrogen storage

Cogeneration of heat/cooling

- Cogeneration of heat/cooling and power from concentrated solar power
- Cogeneration of heat/cold and power from geothermal energy
- Cogeneration of heat/cold and energy from bioenergy (biomass, biofuels and biogas)
- Production of heat/cooling and energy from waste heat

- Biomass, biogas, and biofuels production
- Low-carbon hydrogen production

Universal threshold of 100 gCO2e/KWh

Construction Sector Activities



Construction

- Construction of new buildings
  - Eligibility criteria C1
- Building Renovation
  - Eligibility criteria C2
- Individual measures and professional services
  - Eligibility criteria C3

Transport Sector Activities

Transport

- Passenger transport
  - Urban public transportl
- Micromobility
  - Private transport
- Transport infrastructure
- Interurban transport (freight and passengers)

Eligibility criteria:

1. Zero emission vehicles are directly eligible (e.g. electric or low carbon hydrogen)
2. Public transport – fossil fuel engines subject to thresholds
3. Hybrid vehicles will be eligible

Agriculture Sector Activities

Agriculture
Best Practice Approach

- Sustainable crop production (general perennial & non-perennial crops)
- Sustainable coffee production
- Sustainable tea production
- Sustainable livestock production

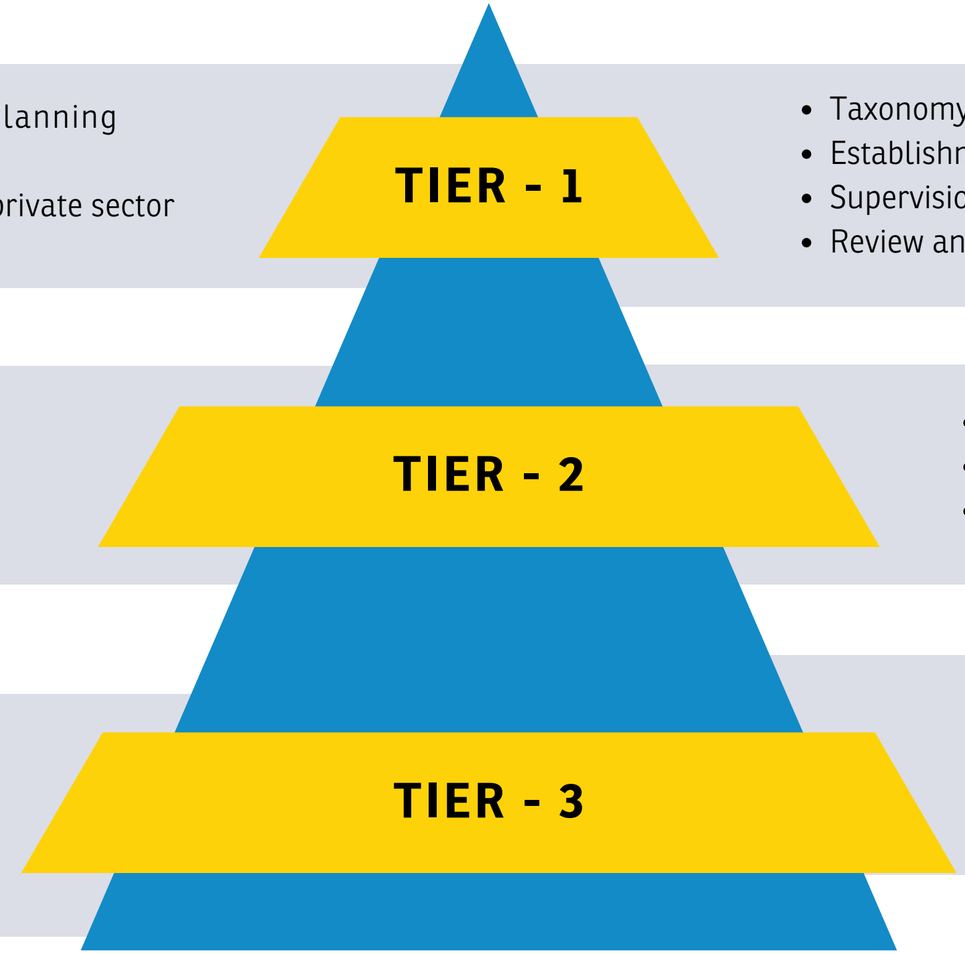
Eligibility criteria:

- Mitigation measures identified within the agriculture sector accounts for 49% of the total decarbonization potential
- Adaptation priorities include; developing climate resilient crops and promoting climate resilient livestock; climate resilient post harvest and value addition; sustainable land use and water management; expanding crop and livestock insurance

Rwanda's Taxonomy Governance Framework

RWANDA'S TAXONOMY TASKFORCE

- Chair: Ministry of Finance and Economic Planning
- Co-chair: Ministry of Environment
- Key stakeholders: Regulators, public entities, private sector



- Taxonomy Owner
- Establishment of objectives
- Supervision of the development process
- Review and approval

SECRETARIAT

Includes a Project Management team with support from Development agencies, private or public entities with technical expertise, among others

- Project coordination
- Organise technical discussions
- Preparation of Taxonomy draft

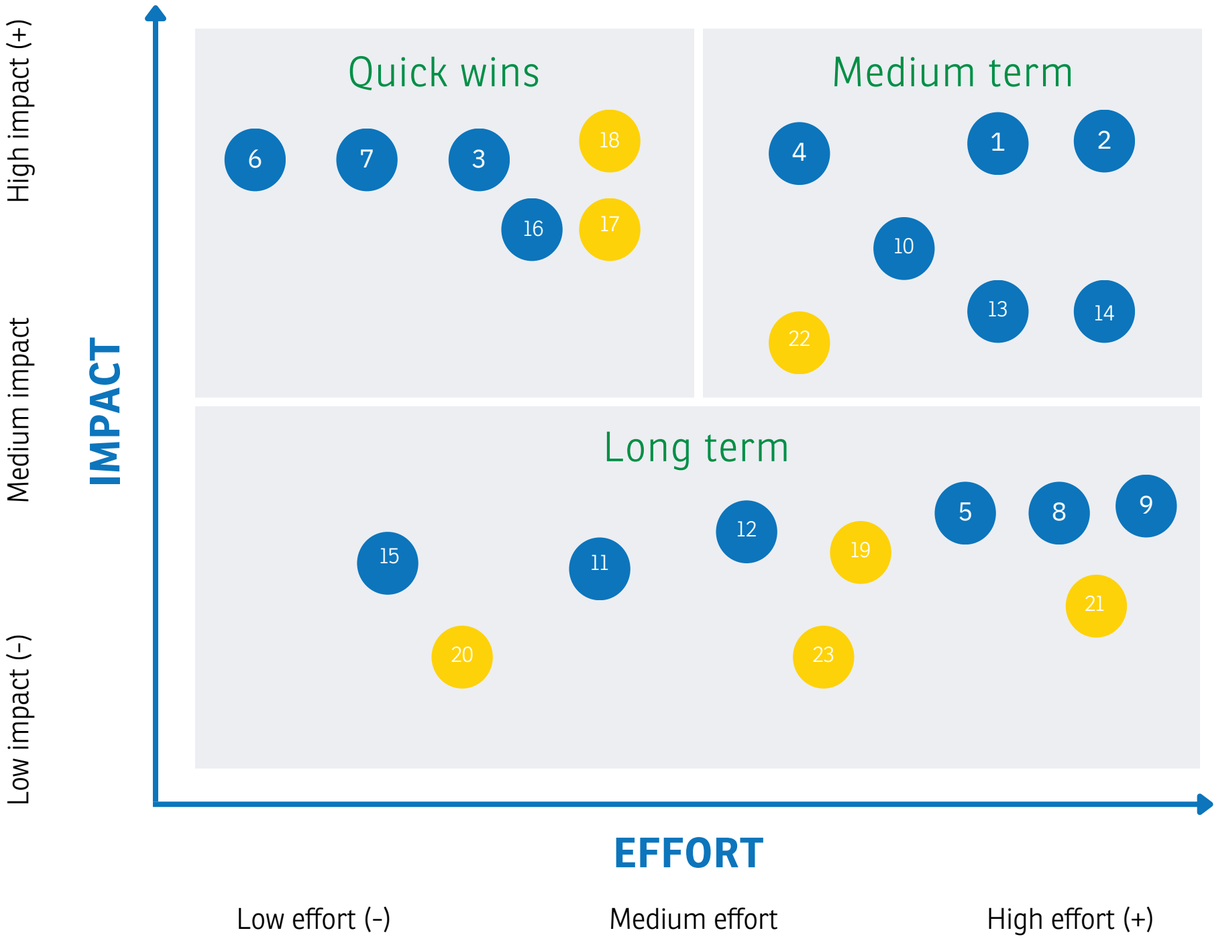
TECHNICAL EXPERT & INDUSTRIAL WGS

Nodal ministries, private sector experts, financial institutions, banks, insurance, academics, NGOs, industrial associations, among others

- Techinical discussions
- Work on sector documents
- Reviews

Action Plan for Implementation

PRIORITISATION MATRIX



POLICY AND REGULATIONS

REGULATIONS

1. Develop disclosure regurations using the taxonomy
2. Develo regulations for aligning green financial products in the market with the Taxonomy

FINANCIAL INSTRUMENTS

3. Guidelines for issuance of green bonds using international frameworks and the taxonomy criteria
4. Guidelines for development of ather debt instruments using taxonomy criteria (eg. Loans, microfinance
5. Insurance products and servise using taxonomy criteria

INVESTMENTS FUNDS

6. Alignment between Ireme Invest and taxonomy
7. Alignment between FONERWA's investment eligibility criteria and taxonomy
8. Development of duidelines for labeling ESG, green and sustainable finds based on taxonomy

MONITORING AND TRACKING OF TAXONOMY ALIGNED FINANCE FLOWS

9. Development of an MRV system for tracking sustainable investments based on taxonomy
10. Green budger tagging based on taxonomy

NATIONAL ENVIRONMENTAL AND CLIMATE STRATEGIES

11. Alignment of national strategies and taxonomy
12. Guidance for incorporationg taxonomy criteria in environmental licenses
13. Expanding sectoral strategies based on taxonomy
14. Expanding the taxonomy to other environmental objectives and sectors

CAPACITY BUILDING AND TESTING

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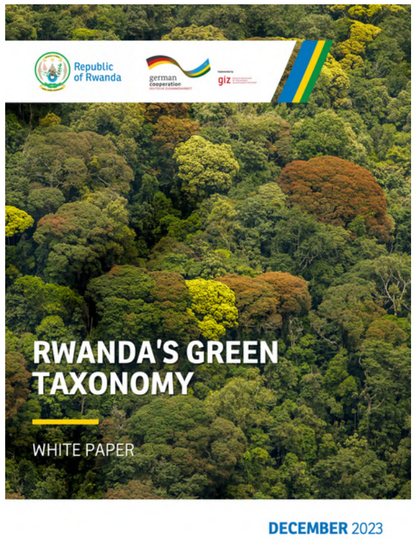
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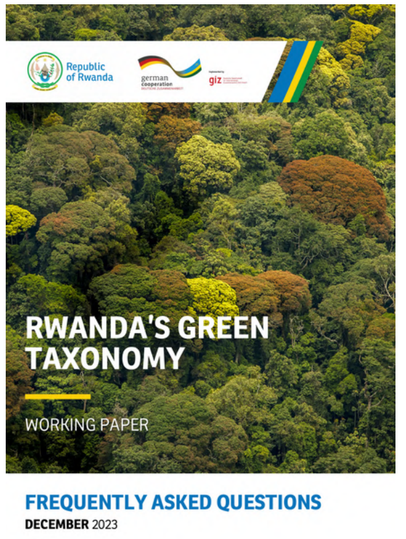
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RWANDA'S GREEN TAXONOMY WORKING PAPER RESOURCES

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