

**FP221: Rwanda Green Investment Facility (RGIF)**

Access the funding proposal: <https://www.greenclimate.fund/document/gcf-b37-02-add12>

We appreciate the focus of this private sector proposal on developing green financing approaches for local businesses and a green investment pipeline in Rwanda through the combination of a project preparation facility and a local currency green credit facility.

We seek reinsurance on two related issues that speak to the core of the funding proposal's intent and value added, especially since related information on an indicative pipeline was not publicly disclosed:

While the AE, in written responses to our questions, indicated that a more diverse set of differently scaled and capped financing would ensure a larger share of micro, small, and medium-sized subprojects are targeted, as these are the entrepreneurs that mostly lack adequate access to capital from other sources, there is no commitment for a minimum allocation floor for those business actors. We would ask that a substantive percentage, at least a third of the loans, are ringfenced for such actors as they are the backbone of a sustainable green transformation.

Relatedly, while we appreciate that the lending is done in local currency, we are not satisfied that the on-lending rate at around 11 percent interest rate really allows for the full passing on of the GCF's concessionality to that business segment and fear that this might be still too high for many MSMEs, especially women-owned and led ones, to afford. Rather than offering one rate, it might have been useful to consider a more differentiated lending approach in which a higher risk in the form of a lower interest rate is taken by engaging with MSMEs.

###