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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 2**

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Rwanda for 2024

**Action Document for “Inclusive, smart and climate-proof urban development of Rwandan satellite cities”**

**ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Inclusive, smart and climate-proof urban development of Rwandan satellite cities OPSYS number: ACT- 61745 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes Team Europe Initiative (TEI): <a href="#">‘Sustainable Rwandan cities fit for the digital age’</a>
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Rwanda, Rwamagana and Nyamata cities
<b>4. Programming document</b>	Multiannual Indicative Programme 2021-2027 for Rwanda
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Specific Objective 2.3 “Support to sustainable urbanisation in Rwanda”. Expected result: Sustainable and integrated human settlements
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority Area 2 – A Green Deal for inclusive development DAC code 430 - Other Multisector
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): 11 (Sustainable cities and communities) Other significant SDGs: 5 (Gender equality), 6 (Clean water and sanitation), 7 (Affordable and clean energy), 8 (Decent work and economic growth), 9 (Industry, innovation, and infrastructure), 10 (Reduced inequalities), 13 (Climate action) and 16 (Peace justice and strong institutions).
<b>8 a) DAC code(s)</b>	DAC Code 43030 – Urban development and management
<b>8 b) Main Delivery Channel</b>	Channel 1 “Third Country Government (Delegated co-operation)”-13000

<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers</b>  <b>(from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/

	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	<p>Budget line(s) (article, item): 14.020121</p> <p>Total estimated cost: EUR 35 500 000</p> <p>Total amount of EU budget contribution: EUR 10 000 000</p> <p>This action is co-financed in joint co-financing by:</p> <p>- Belgium government for an amount of EUR 25 500 000</p> <p>The action is part of the TEI on “Sustainable Rwandan cities fit for the digital age”, which is being supported by EU Member States, notably France for an amount of approximately EUR 100 000 000, Germany for an amount of EUR 72 000 000, Belgium for an amount of approximately EUR 53 500 000, European Investment Bank for an amount of EUR 45 000 000 and other EU programmes amounting approximately to EUR 35 000 000. Denmark, Sweden, Luxembourg are also considering potential interventions that could contribute to this TEI.</p>			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	Indirect management with the entity to be selected in accordance with the criteria set out in section 4.4.1			

## 1.2 Summary of the Action

The action intends to contribute to Rwanda's aspiration, evidenced in the National Urban Policy, to foster well-managed urban growth that generates sustainable and climate-resilient urban environments, inclusive economic growth and sustainable development. In particular, the action seeks to contribute to the implementation of the National Land Use Master Plan – NLUMP (2020-2050) which aims to develop sustainable and attractive satellite cities around the city of Kigali, by supporting the development of growth poles and countering urban sprawl.

Indeed, many indicators still point to a large relative weight of the capital city in the Rwandan economy. For instance, 85% of sales and 80% of transactions in the formal economy – as measured by Electronic Billing Machine (EBM) data –originate in Kigali<sup>1</sup>. Rwandan secondary cities are still very small, particularly compared to other cities in the region, and they are growing at a slower pace than Kigali. While the rapid development of Kigali can have positive effects for the Rwandan economy, widening inequalities may pose concerns in terms of management of migration flows, uncontrolled urban and peri-urban growth in Kigali, and national cohesion. The NLUMP recognises this situation, and points towards three “satellite” cities (Rwamagana, Muhanga and Nyamata/Bugesera) which have the potential to grow faster than secondary cities. First, because of their proximity to Kigali, and second, because of potential for implementation of smart specialisation strategies: Rwamagana is already an agricultural hub, Muhanga has the potential to become a trade and mining hub and Nyamata is a hub for logistics given its proximity to the future new international airport. The action intends to support this drive for a more balanced territorial development in Rwanda.

The action's overall objective is to contribute to ensure an inclusive, competitive and climate change resilient development in the cities of Nyamata and Rwamagana . The action targets three specific outcomes:

i) To improve multi-level and cross-sectoral coordination between central and district levels around the planning and operationalisation of sustainable and inclusive urban development, (ii) enhanced participatory governance and

<sup>1</sup> The economic geography of Rwandan cities, Laterite, 2020

public-private collaboration with the use digital means and smart city tools , and (iii) increased access for all residents in their diversity to inclusive and climate-resilient infrastructure and facilities

The action contributes to the roll-out of the Global Gateway strategy and the digital transition investment package of the Global Gateway strategy through its smart cities component by enhancing digital competencies, bridging gender-based digital disparities, and establishing robust digital infrastructure. Additionally, the action plans to put another building block to the bilateral flagship - the Team Europe Initiative (TEI) for “Sustainable Rwandan Cities fit for the digital age”. It will holistically contribute to all the pillars of this TEI, from smart urban planning angle, to the provision of resilient smart infrastructure and services and support related to addressing the digital divide.

The proposed action directly contributes to the implementation of the EU Gender Action Plan (GAP) III, and specifically to its key areas focusing “Promoting economic and social rights and empowering girls and women” and “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

The Action will also primarily contribute to the MIP 2021-27 Priority Area 2 “Green Deal for inclusive development”, and in particular its Specific Objective 2.3: “Support to sustainable urbanisation in Rwanda”. And it will contribute to SDG 5 (Gender equality), 11 (making cities and human settlements inclusive, safe, resilient and sustainable), SDG: 6 (clean water and sanitation), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation and infrastructure), SDG 10 (reduced inequalities), SDG 13 (Climate action), and SDG 16 (Peace, justice and strong institutions).

## 2 RATIONALE

### 2.1 Context

Rwanda has emerged as a strategic partner for the European Union (EU) across multilateral, regional, and bilateral platforms. Rwanda occupies a prominent position on the African continent, championing a forward-looking agenda encompassing economic and trade integration, multilateralism, climate ambition, and a more assertive African presence on the global stage. Rwanda's Vision 2050 and National Strategy for Transformation (NST-1) encapsulate the country's aspirations to elevate the quality of life for all Rwandans and attain upper-middle-income status by 2035. This trajectory hinges on factors such as human development, competitiveness, integration, urbanisation, and agglomeration, among other key objectives.

Over the last decade, Rwanda has experienced an annual population growth rate of 2.3%, resulting in an estimated population of 13.2 million in 2022. This figure is expected to nearly double by 2050, with a projected density of around 900 inhabitants per square kilometer. The urbanisation rate is predicted to surge from 28% in 2022 to 66% by 2050, with the ultimate country's vision of achieving a 70% urban population by 2050. Presently, Rwanda's urbanisation narrative is characterized by rural-to-urban migration, fuelling uncontrolled urban expansion.

Nyamata and Rwamagana are two of three satellite cities in Rwanda identified in the National Land Use Master Plan for their potential to grow faster than the other eight secondary cities. This distinction is due in part to substantial investments like the new airport in Nyamata/Bugesera and agro-processing industries in Rwamagana. Furthermore, the strategic selection of these satellite cities stems from their vital role in curbing Kigali's urban sprawl due to their proximity. However, rapid urbanisation in these areas also presents challenges, including the imperative for affordable housing, sustainable and inclusive urban planning, and addressing socio-economic disparities often linked to rapid urbanisation.

The Government of Rwanda has demonstrated significant progress in reinforcing its urban policy framework in recent years, concentrating on enhancing urban governance, promoting sustainable urbanisation, and fostering inclusive economic growth. The proposed action seamlessly aligns with Rwanda's comprehensive urban development framework. It will contribute to the implementation of the National Smart City Master Plan (2018), designed to guide Rwanda's cities through the 21st-century transition and to ensure the future prosperity of all citizens. The action seeks to contribute to the implementation of the National Land Use and Development Master

Plan (NLUAMP 2020-2050), while also complementing the National Urbanisation Policy (2015), National Housing Policy (2015), and National Informal Urban Settlement Upgrading Strategy (2017).

The Rwandan government has set itself the goal of developing decent human settlements, assuming that population growth is accompanied by a growing demand for housing. Housing is seen as an instrument for establishing a national spatial framework for human settlements, to guide the location, hierarchy and service levels of human settlements in the country. This strategy is closely associated with densification and the development of housing finance, both of which are likely to occur in secondary/satellite cities.

## 2.2 Problem Analysis

The main problems identified by the Government of Rwanda for the satellite cities (and secondary cities) is how to regenerate settlements in order to be attractive and dynamic centres offering fair living conditions, generating both off farm jobs and providing affordable housing, while strengthening social and environmental linkages to favour the emergence of climate-proof secondary cities.

Rwamagana and Nyamata are like other towns, experiencing rapid growth as a result of the urbanisation process underway in the country. Both towns have a population of about 200,000 each (extrapolated from the 2022 national census) but given their proximity to Kigali and the large-scale investments being made in the two, the population is expected to rise exponentially over the next decade. This rise will not only expose both cities to frequent and severe climate and environmental shocks/stress but it could also exacerbate poverty and social vulnerability.

Rapid urban growth, largely driven by rural-urban migration, is creating a significant demand for land in the two cities. Impediments to accessing available land include slow and inconsistent planning regulations and approval procedures, as well as weak land administration and management processes, leading to lengthy land registration procedures. In spite of the recently published, National Land Use and Development Master Plan (2020), there are also problems related to land use conflicts and disputes, particularly between the formal and informal sectors, which consequently affect the ability to plan and implement development projects for the local authority.

In addition to the land issue, Nyamata and Rwamagana, like other urbanised areas in Rwanda, face significant housing challenges, including a lack of affordable housing and decent housing options for low-income residents. The majority (>70%) of the inhabitants of these two cities and their surroundings live in substandard housing, unplanned and un-serviced settlements. The high cost of construction in the current market is one of the main causes of this shortage, partly due to the cost of imported construction materials, such as cement, but also due to the lack of development of the local construction materials industry. Housing finance is also expensive, with mortgage interest rates in the country at around 17 %, which is considered the highest in the region. The housing supply deficit is further exacerbated by existing legal instruments, housing policy and related financial policies, which are not sufficiently streamlined to enable the private sector to play an effective role. All these aspects are responsible the proliferation of informal settlements.

Those informal settlements show major gender issues which have to be understood in order to create urban settlements and/or regional corridors that leave no one behind. Those are<sup>2</sup>:

- i) Reduced convenience of space prevents a healthy and active lifestyle,
- ii) Women's land tenure rights are restricted (esp. those with disabilities, female-headed households, elderly women and indigenous women),
- iii) Inadequate public health infrastructure places health burden on women and girls (sufficient water, sanitation and hygiene [WASH] infrastructure is essential for meeting specific needs related to menstruation, pregnancy and childbirth),

<sup>2</sup> JICA (2023). Reference Material for Gender Mainstreaming in the Urban and Regional Development Sector. Office for Gender Equality and Poverty Reduction Governance and Peacebuilding Department. Japan International Cooperation Agency. Accessed through [https://www.jica.go.jp/Resource/english/our\\_work/thematic\\_issues/gender/c8h0vm0000f3jmj6-att/gender\\_mainstreaming\\_09.pdf](https://www.jica.go.jp/Resource/english/our_work/thematic_issues/gender/c8h0vm0000f3jmj6-att/gender_mainstreaming_09.pdf)

- iv) Women and girls tend to be more vulnerable to disasters (due to low quality of materials used in informal settlements; more women die in climatic extreme events and disasters),
- v) Women and girls have limited access to public space and mobility (due to their limited participation in urban planning & decision-making processes caused by traditional division of roles, their needs in public spaces are not addressed)
- vi) Women and girls are at risk of sexual and gender-based violence (SGBV) in public spaces (transport, toilets, water distribution centres, etc. – thus depriving them of well-being due to their avoidance of such risks of freedom of movement).

Despite their proximity to Kigali and the infusion of significant investments underway in the two satellite cities, the local authorities in both cities encounter difficulties in enticing private sector development. This challenge is primarily attributable to the inadequacy of institutional and human resource capacities within the sphere of urban governance. Furthermore, the persistent lack of enough financial resources and overreliance on transfers from the central government compound the issue. Consequently, the provision of fundamental infrastructure and municipal services, including access to clean water, sewage systems, wastewater treatment, solid waste collection, roads and digital infrastructure, remains a recurring and substantial challenge faced by the two satellite cities.

The issue of gender-based disparities in access to digital and other resources is not confined solely to satellite cities but extends to all urban centres. It is evident that a significant gender gap persists, with women having limited access to the internet compared to men.

The recently published 5th Rwanda Population and Housing Census has brought to light the persistent gap between women and men concerning smartphone ownership and internet utilisation. This discrepancy warrants focused attention and corrective action.

Evidently, various impediments hinder women's equitable access to digital resources. Challenges encompass issues of accessibility, affordability, limited educational opportunities, as well as deeply ingrained biases and socio-cultural norms. These factors collectively curtail the capacity of women and girls to fully harness the advantages ushered in by the ongoing digital transformation.

Moreover, an examination of women's and girls' utilisation of digital tools, along with their relatively limited engagement on platforms, particularly in business-related capacities, underscores the potential escalation of disparities and heightened inequalities, particularly within marginalized areas.

Weak urban governance and insufficient institutional coordination is also a major problem in urban development and management in general. The process of urban development and management is complex, involving multiple stakeholders with distinct planning, management, and operational responsibilities. These stakeholders encompass sector ministries, various agencies, districts, landowners, non-governmental organizations (NGOs), civil society organizations (CSOs), the private sector, and individual actors. Four primary obstacles hinder effective urban governance include: (i) inadequate institutional coordination capacity; (ii) weak urban governance structures; (iii) lack of capacity of local government institutions to exercise urban management functions within the framework of decentralisation policy; and (iv) inadequate capacity and professionalism of the private sector. The prevailing institutional situation weakens urban governance and, consequently, urban development.

These underlying issues, which the action seeks to contribute to addressing, require a holistic and integrated approach to urban development, which prioritises the needs and aspirations of local communities, and takes into account an understanding of the broader social, economic and environmental contexts of urbanisation in Rwanda.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The targeted stakeholders are primarily the direct residents of the neighbourhoods of the two satellite cities (rights holders). The emphasis is on women and girls in all their diversity, young people, persons with disabilities and

other underserved groups in these areas, as the action aims in particular to assist in overcoming some of the disadvantages they face.

Other target groups of the action are authorities at all levels of administration (duty bearers), including managers and technical staff of ministries, agencies, districts, sectors down to village level involved in the development of cities/neighbourhoods/housing/informal settlements. As well as civil society organisations (CSOs), community-based organisations (CBOs) are important cooperation partners at both national and local levels that will play a key role in the successful implementation of the action's measures.

At institutional level, the stakeholders are:

Ministry of the Infrastructure (MININFRA): MININFRA oversees urban and housing policy development. Collaborating with its implementing agency, Rwanda Housing Authority (RHA), the Ministry plays a key role in managing settlements upgrading and housing projects. RHA's responsibilities encompass affordable housing initiatives, high-risk zones assessment for districts, assessing development projects to determine eligibility for infrastructure subsidies, assisting developers in drafting resettlement action plans (RAPs) and relocating communities from strategic sites, and conducting feasibility studies for upgrading unplanned settlements in Kigali.

Local Administration Entities Development Agency (LODA): LODA is the implementing agency of the Ministry of Local Government (MINALOC) responsible for coordinating government activities (including infrastructure development) in local administrative bodies, in particular districts, comprising secondary and satellite cities. Whilst MININFRA still operates at the policy level, and contributes to urban planning activities and assists the participating municipalities in this respect, the district authorities are responsible for implementation at the local level.

Other stakeholders:

- Public entities (Ministry of Environment (MoE), National Industrial Research and Development Agency (NIRDA), Rwanda standards Board (RSB), Gender Monitoring Office (GMO), Rwanda Water Board, National Committee of Persons with Disabilities, Civil Society Organisations: empowered by a mandate focused on advocacy and advancement in distinct fields—gender equality, water resource management, disability inclusion, and citizen engagement—these institutions assume specialized roles that correspond to their mandates, etc.
- Private sector including all forms of business associations, private contractors, architects, and consultants
- Academia, researchers and other training institutes.
- Developments partners either operating in the action Areas, and or undertaking similar activities.

The action will ensure synergies with the EU-funded AAP 2022 project (Kigali Informal Settlements Upgrading Project (KISUP) with Agence Française de Développement - AFD) to address urban development challenges, particularly informal settlements, and it will in particular focus on replicating and scaling up the housing solutions identified under the KISUP. In addition, the action will ensure important complementarities with other initiatives implementing the NLUDMP, including the ENABEL Urban Economic Development Initiative (UEDi, 2019-2024) and the World Bank-funded Rwanda Urban Development Project (RUDP-II, 2021-2025), which both support secondary/satellite cities. It will also work closely with climate resilience, smart and green cities initiatives led by partners such as UN-Habitat, KfW, GGGI, Swiss Agency for Development and Cooperation, JICA, among others.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective of this action is:

**Overall Objective / Impact:** To ensure an inclusive, competitive and climate change resilient development in the cities of Nyamata and Rwamagana

The Specific Objectives of this action are:

**Specific Objective / Outcome 1.** To improve multi-level and cross-sectoral coordination between central and district levels around the planning and operationalisation of sustainable and inclusive urban development.

**Specific Objective / Outcome 2.** To enhance participatory governance and public-private collaboration with the use digital means and smart city tools.

**Specific Objective / Outcome 3.** To increase the access for all residents in their diversity to inclusive and climate-resilient infrastructure and facilities.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective are:

Contributing to Outcome 1 (or Specific Objective 1):

1.1. Trans-sectoral and multilevel coordination mechanisms for urban affairs strengthened in the urban development sector

1.2. Increased technical capacities of district authorities and institutions to plan and promote an inclusive and sustainable urban growth

1.3. Increased availability of updated and relevant information to competent authorities for the design and implementation of policies related to inclusive and sustainable urban development.

Contributing to Outcome 2 (or Specific Objective 2):

2.1. Improved smart city tools for data collection, decision-making and service delivery around inclusive and sustainable urban development.

2.2. Increased capacities of local residents to make use of new technologies and actively engage in participatory planning activities, taking into account gender, age and other drivers of digital divide

Contributing to Outcome 3 (or Specific Objective 3):

3.1. Improved key infrastructure and facilities prioritised by local communities from an intergenerational and gender-inclusive approach.

3.2. Piloted new models of green and affordable housing construction with the capacity to be replicated and scaled up.

#### 3.2 Indicative Activities

Activities relating to Output 1.1

1.1.1. Institutional support to MININFRA/RHA (Staff, management costs...):

Dedicated resources will be allocated at the Ministry level to facilitate the Ministry of Infrastructure, aiming to strengthen cross-coordination mechanisms among national authorities. This effort is directed towards addressing interconnected challenges related to urban growth within the context of climate change, necessitating a multi-sectoral approach. Similarly, coordination mechanisms between central and district levels will help to bridge local needs and priorities to the central government strategies

#### 1.1.2.Support study tours, seminars, international fora organisation:

Both the dedicated national staff that will be recruited and assigned to MININFRA and/ or MINALOC in the framework of the project, as well as the current personnel responsible for urban affairs, will be facilitated in participating in various knowledge-sharing events. These include seminars, international forums, study tours, and technical training sessions

#### Activities relating to Output 1.2

- 1.2.1. Supporting districts' technical expertise (providing district offices with expertise from both women and men engineers, planners, architects, etc.). The selected districts will receive day-to-day support and guidance through the provision of integrated national expertise to reinforce the capacity and empowerment of district authorities.
- 1.2.2. Training and coaching to encourage district authorities to take account of the principles of inclusive and sustainable urban growth (ecology, climate, inclusiveness, gender and disability mainstreaming community participation and responsibility).
- 1.2.3. Consultancies and studies at districts level

#### Activities relating to Output 1.3

- 1.3.1. Development of the housing rental policy
- 1.3.2. Assessment study on use and management of public open spaces, leading to elaboration of the Public Space Activation Strategy;
- 1.3.3. Assessment on making Nyamata and Rwamagana gender and disability –sensitive cities

Support will be provided for the development and the implementation of specific decrees and guidelines. This is particularly relevant for the issues of access to affordable housing. The focus will be given on the revision of decrees and guidelines related to acquisition and rental of affordable housing as to make them affordable for the most vulnerable. The mechanisms and conditions to set-up viable and attractive alternative climate finance, such as a carbon market, blending support with the involvement of the private sector, or payment for environmental services, will be explored together with REMA.

Other guidelines related to the focus areas of the intervention will be developed, such as on gender and inclusivity, including norms on accessibility for people with disabilities. Specific support will be provided to ensure their use by present and future professionals (through universities notably). Furthermore, an assessment study on the use and the management of public open spaces will be conducted, leading to the elaboration of the Public Space Activation Strategy, and the related guidelines together with MININFRA.

#### Activities relating to Output 2.1:

- 2.1.1.Improving affordable internet accessibility: by enhancing the affordability and increasing connectivity of internet services, more residents will have access to digital platforms and resources.
- 2.1.2.Enhance participatory planning activities, including through digital means: Smart city tools, such as Urban Dynamic Maps (UDMs) , will be strengthened to improve urban development, leveraging digitisation to improve interaction between authorities and communities, as well as the delivery of public/private services, embracing innovative technologies to create a more connected and sustainable environment. This will foster

community involvement in decision-making processes and gather local knowledge for planning. Climate resilience aspects could be assessed at the level of planning for resilient infrastructure and urban design, which can withstand the impacts of climate change.

2.1.3. Facilitating access to urban services through digital mapping and virtual addressing platform: Supporting comprehensive digital maps of properties, housing and businesses will enable residents to easily access information about available urban services and resources and to actively participate in planning of the priorities of their city.

2.1.4. Supporting Building Permits Management Information System (BPMIS) operationalization and maintenance

An online Building Permits Management Information System (BPMIS) equipped with features that facilitate applicants to access information, to closely follow-up applications and to be notified on the progress made on them as a result of the assessment undertaken by authority. The system integrate the current online system Construction Permit Management Information System (CPMIS) used by the City of Kigali to issue building permits, and the activity is to scale up to serve Nyamata and Rwamagana district One stop centres. The system will be reinforced with inspection and digitalised reporting features.

Activities relating to Output 2.2:

2.2.1. Enhancing residents' digital skills and reducing digital divide: Providing residents with training and support to improve digital literacy will enable active participation - with a particular focus on women and girls in all their diversity - in digital platforms and effective use of available services.

2.2.2. Promoting information and data coordination: Encouraging collaboration and information sharing among citizens, the private sector, and the government will support the development of a comprehensive long-term urban strategy. This strategy can integrate Internet of Things (IoT) technologies to raise awareness and aid in a more efficient city management.

Activities relating to Output 3.1:

3.1.1. Provision of sustainable socio-economic facilities: this entails concrete investments. Beside public spaces, local communities are also lacking socio-economic facilities to enhance their living conditions and jobs opportunities. Inclusivity and economic local development will be promoted through the provision of local markets, early children development centres, youth centres, IT & environmental labs... depending on the priority local needs that will be defined in a participatory way.

Activities relating to Output 3.2:

3.2.1. Developing alternative green housing solutions

3.2.2. Piloting the construction of green and affordable housing

As a first step, a participatory analysis of existing urban and housing patterns, materials, economic structures, and behaviours in settlements is essential to identify suitable technical solutions. Guidelines based on this analysis will inform the interventions, encompassing a range of housing options. These include low-cost housing upgrades, land readjustment, well-standardized sites and services, greenfield site development, and incremental housing construction supported by communities. Incentives will encourage the private sector to focus on rental solutions, given their practicality for low-income households. The interventions will advocate for mixed land use and income areas, discouraging zoning and gentrification. Methods like land pooling will be explored to facilitate land access and provide essential infrastructure and appealing public spaces.

Innovation in climate-responsive design will also be a focus. The intervention will engage qualified consultancy expertise to support the design and site supervision phases, ensuring solutions align with climate considerations.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each

respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

##### **Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

N/A

##### **Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category B (for which an EIA will be undertaken). The Environmental Impact Assessment (EIA) to be conducted - in the context of the overall operation and in consideration of the activities to be covered under Belgian co-financing - will comprehensively investigate both the positive and negative impacts associated with the primary activities across the entire lifecycle of the project. These activities encompass, but are not restricted to, the construction and/or rehabilitation of roads, footpaths, storm water drainage systems, and the expansion of street lighting infrastructure.

##### **Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project)

As an integral component of the Environmental Impact Assessment (EIA), a climate risk assessment will be conducted, addressing the following key aspects:

- (i) Comprehensive mapping of primary vulnerabilities, risk-prone areas, as well as opportunities for enhancing the resilience of settlements for instance with respect to flood management and land erosion mitigation.
- (ii) An in-depth analysis of locally sourced sustainable construction materials aimed at reducing carbon emissions and enhancing overall resilience. This analysis will specifically focus on factors such e.g. guidelines on techniques and typologies in Made in Rwanda materials, urban planning, use of low carbon materials etc. The assessment will provide a detailed comparative analysis between "local sustainable materials" and conventional "standard materials."

##### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is a central axis of the action, as women and girls, in particular, will be directly involved in the action, from design to implementation, through participatory formats, reflecting all women and girls diversity. Women's empowerment will take various forms in the course of implementation, such as a call for women-led initiatives, inviting women to submit innovative proposals that address their specific needs and priorities in urban environments and public spaces. Activities, such as saving and credit schemes, microfinance and targeted investments will be supported to promote economic empowerment, social inclusion, and sustainable development targeting specifically women and girls in all their diversity (incl. those with disabilities, pregnant women, elderly women, women commuting with children, etc.), simply leaving no one behind. Through this initiative, the program aims to foster women's and girls' active participation in shaping urban and public spaces and enhance their overall well-being. Through gender transformative approaches men and boys will be associated to this process as allies to ensure support to women's and girls' active empowerment.

As indicated above, the proposed action directly contributes to the implementation of the EU Gender Action Plan (GAP) III, and specifically to its key areas focusing "Promoting economic and social rights and empowering girls

and women” and “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

### **Human Rights**

The intervention will adopt a human rights-based approach that prioritises the rights and needs of all individuals, regardless of gender, age, wealth or other factors. This approach can help to ensure that the project is implemented in a way that is fair and respectful of human rights. In doing so, non-discrimination, transparency, participation and accountability will be the fundamental principles. The systematic collection of disaggregated data is going to be applied during the implementation of the Action.

We will assure the action contribute to the development of the capabilities and accountability of ‘duty-bearers’ to meet their obligations and/or of ‘rights-holders’ to know, claim and enjoy their human rights.

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### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the overarching principle of the action is to ensure a participatory approach of all stakeholders, including persons with disabilities, in the decision-making processes and that their perspectives and needs are taken into account in all aspects of the project. For instance persons with disabilities are at risk of being discriminated against, and as the EU has ratified the Convention on the Rights of Persons with Disabilities (CRPD), special attention has to be paid to these risks. This will include integrating the principles of accessibility and universal ideation in the design and in the planning of the solutions to be provided, e.g. infrastructure, public spaces, housing, as well as promoting disability-friendly policies and practices.

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### **Reduction of inequalities**

The World Bank's Poverty and Equity Report<sup>3</sup> of April 2023, revealed that inequality persists in Rwanda. Despite significant efforts over the past decade, the country ranks second among low-income countries with a Gini index of 43.7 (2016) compared to 52.0 in 2005/06.

In contrast, the 2016/17 Rwanda poverty profile report<sup>4</sup> of the national institute of statistics shows some change in inequality as measured by access to basic services such as health, education, water, sanitation and electricity and reiterates that some progress over the past two decades have been registered. Health outcomes and access to health have improved for many groups, although rural and regional disparities remain. Access to health care is also determined by wealth

Enrolment in primary and secondary education has increased and gender gaps have narrowed - in some cases girls' enrolment is higher than boys'. Urban-rural divides in attendance and completion rates have emerged. Significant disparities were also identified between the lowest and highest quintiles. Higher education enrolment and completion rates are declining in all groups.

Inequalities in access to the labour market have also been identified, with variations across contexts. For instance, youth unemployment is an urban phenomenon, while gender inequalities have strongly marked the rural labour market.

Other factors that influence economic empowerment include the distribution of land and financial assets. Both of these factors are influenced by gender inequalities and vary by location (urban/rural) and region, as well as wealth quintile.

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<sup>3</sup> [World Bank's Poverty and Equity Report](#)

<sup>4</sup> [Rwanda poverty profile report \(EICV 5 \(2016/17\)\)](#)

Access to public services has improved over the past two decades. The survey also found that the lowest quintile made particularly significant gains in access to water and sanitation between 2011 and 2013/14, while the richest quintile benefited most from improved access to electricity.

#### **Democracy**

A bottom-up and participatory approach of all rights-holders and duty-bearers in decision making is key to the success of the action. The intervention seeks to apply this approach and, in particular, to ensure transparency and accountability in decision-making processes, to empower the population groups living in most vulnerable situation, incl. socio-economic difficulties and to strengthen local governance in this respect.

Specifically, the action will involve community representatives, various civil society organisations, community-based organisations and local governance leaders to ensure that information is easily accessible to all stakeholders, thereby ensuring that the needs and concerns of all residents, including the most underserved and excluded groups, are inclusive and taken into account.

#### **Conflict sensitivity, peace and resilience**

N/A

#### **Disaster Risk Reduction**

The action will contribute to disaster risk management, as some of planned activities will be designed with strong focus on the environment and a climate-sensitive approach combining both mitigation and adaptation measures, thus contributing to strengthening the resilience of satellite cities and possibly its informal settlements where the most disadvantaged population groups dwell. The action will substantially support climate mitigation/adaptation measures by financing investments in resilient urban infrastructure, such as green infrastructure, or by implementing nature-based solutions where possible. As regards the housing component, low-carbon housing solutions will also be promoted, and soft support will be made available along the construction sector value chain. Other specific, gender and disability sensitive adaptation measures will need to be critically identified during the participatory urban planning phase.

#### **Other considerations if relevant**

N/A

### 3.4 Risks and Lessons Learnt

<b>Category</b>	<b>Risks</b>	<b>Likelihood</b> <b>(High/ Medium/ Low)</b>	<b>Impact</b> <b>(High/ Medium/ Low)</b>	<b>Mitigating measures</b>
1 – Internal External environment	Risk 1 - Inadequate community involvement and participation, leading to social disturbance and resistance to the initiative.	Medium	Medium	Conduct a thorough community engagement programme to solicit the opinions and contributions of women and men residents in all their diversity. Provide regular updates and information on the progress of the project and respond in a timely manner to any concerns or complaints. Use feedback from the community to refine the project plans and ensure that it meets the needs of all segments in the community.
2 – Internal	Risk 2 – Weak level of inclusiveness and	Low	High	Develop strong strategies specific to each of the districts, through close dialogue with

Planning, process and systems	quality in infrastructure planning and building processes at district level			the respective local authorities, at central level (LODA), local civil society organisations representing women in all their diversity, persons with disabilities (DPOs) and other stakeholders involved.  Emphasis on qualitative feasibility studies for infrastructure and share knowledge among both districts.
3 – Internal Planning, process and systems	Risk 3 - The lack of complementarity with other relevant housing initiatives being tested in country or limited knowledge sharing, which could facilitate scalability of viable solutions	Low	Medium	The action will hold extensive consultations before the start and during implementation of housing component with relevant development partners/projects to prevent anticipated difficulties. Efforts to identify other relevant programs and, where appropriate, review their results and lessons learnt, will be undertaken. The action will also consider the analysis performed and results achieved under the “Kigali Informal Settlements Upgrading” (KISUP) programme adopted under AAP 2022 (AFD/EU).
4 – Internal People and the organisation	Risk 4 - Overburdening local authorities during implementation and/or during launching of several time-consuming activities (e.g tenders) at the same time, may be a problem due to low capacities in similar activities	Medium	Medium	Technical assistance to be provided to main institutional duty bearers (stakeholders)
5 – Internal Communication and information	Risk 5 - The outreach and communication/visibility of the action’s objectives, results and activities may be impaired due to large geographical area covered and or cities having other large scale infrastructure project underway	Low	Low	The action will develop a project communication strategy in the inception phase that will include, among other things, specific responses to this risk, including media work, advice on the communication approach/material to be used, and advice on possible partnerships with local authorities, local media, various groups, residents, etc. The action will also conduct a vigorous awareness raising campaign throughout the implementation of the interventions.

## Lessons Learnt:

The action builds upon Enabel's ongoing urban programme, the "Urban Economic Development Initiative (UEDi) 2019-2024" (EUR 28 million). The overarching goal of this program is to foster job creation beyond the agricultural sector in three secondary cities, including 'Rwamagana,' by facilitating the private sector's involvement in the construction materials value chain. Additionally, the program offers support for infrastructure development and provides planning and management assistance to district authorities. The action therefore draws lessons from this programme and other initiatives related to improving climate resilience and promoting green cities and infrastructure development. The main lessons are as follows:

- The adoption of a bottom-up, learning-by-doing methodology, along with an aerial approach, centred around strategically valuable urban sites connected through efficient road networks, yields substantial benefits in terms of local ownership, relevance, coherence, and efficiency. This model holds promise for replication in comparable projects within Rwanda in urban development project.
- Enhancing construction material value chains should be complemented by the application of these materials in construction projects. Synergizing interventions in infrastructural and urban planning development with the advancement of value chains in locally sourced construction materials is a logical synergy. However, feasibility hinges on the availability of materials within proximity to the targeted areas, which requires a preliminary assessment.
- Acknowledging the environmental and social consequences of construction activities is imperative. While economic factors command significant attention presently, factors related to environmental impact (pollution, energy efficiency, recycling) and social inclusivity warrant enhanced focus. Incorporating start-up cooperatives of young Technical and Vocational Education and Training (TVET) graduates or systematically including marginalized populations shall enhance social inclusivity.
- The pairing of theoretical training with hands-on capacity building is essential for effective skill acquisition.
- Synergies could be sought (within the framework of a possible subsequent phase) with other donors (*e.g.*, the secondary cities programme of WB/LODA) which may provide complementary training – sometimes more technical in their contents – such as in the area of environment.

### 3.5 The Intervention Logic

The underlying intervention logic for this action is centred on fostering the sustainable urban development of Rwamagana and Nyamata satellite cities for Rwanda. This will be achieved by enhancing the living conditions of their women and men inhabitants in all their diversity, particularly the most underserved segments of the population, with the overarching aim of establishing an all-encompassing socio-economic and environmental framework that is both inclusive and resilient to climate dynamics.

IF the staffing gap within the unit responsible for urbanization and human settlements coordination at the Ministry level is addressed, and adequate training, seminars, and international conference participation for the recruited staff are facilitated, AND IF the dialogue and knowledge sharing between central and district level authorities responsible for urban affairs are increased, PROVIDED that the Ministry demonstrates strong commitment to leading this process, THEN, the sector's cross-sectoral coordination mechanisms in the urban development sector will be strengthened (Output 1.1).

IF the technical capacities of district authorities and institutions to plan and promote an inclusive and sustainable urban growth are improved, PROVIDED THAT essential studies are conducted, and timely recruitment of local experienced staff is ensured, THEN, the districts will be better equipped to successfully execute the project (Output 1.2).

IF viable operational and financial models are identified and tested, and regulatory reforms are piloted to enable the implementation of these models, then, provided these models are sufficiently profitable for investors (whether developers or landowners), THEN access to affordable and decent housing in the selected neighbourhoods will be enhanced (Outputs 1.3 and 3.2).

IF a participatory approach to neighbourhood planning is embraced, residents of informal settlements are actively involved in identifying infrastructure needs and the corresponding investments are allocated to target cities, PROVIDED THAT digital tools such as Urban Dynamic Maps (UDMs) are leveraged to facilitate interaction between authorities and communities and provided there is a commitment to community involvement and provided districts have sufficient capacity to drive the process, AND IF there is an improvement in internet accessibility, residents' digital skills are improved, and if the gender digital divide is narrowed, and if access to urban services through digital mapping and virtual addressing platforms is facilitated, PROVIDED THAT there is robust collaboration and interest from e-commerce firms and the government to expand their services, particularly in unplanned settlements, THEN, digital infrastructure development in satellite cities and their neighbouring areas will be enhanced (Output 2.1).

IF concrete investment made available for infrastructure improvement, and if this improvement includes (re)creation of gender-sensitive public spaces, the provision, rehabilitation, or extension of local markets, health centres, schools, early childhood development centres, youth centres, and the establishment of IT and green labs, AND PROVIDED there is a commitment to provide operation and maintenance (O&M) for these facilities, and provided funds are made available to support youth and women's entrepreneurship incubators, then, sustainable socio-economic facilities will be developed (Output 3.1).

Should these outputs and associated outcomes be achieved and the political will, collaboration and active engagement of women, men, girls and boys dwelling in the neighbourhood, local authorities and other key actors be ensured over the course of the action, targeted cities will become more inclusive, competitive and climate change resilient (impact). This approach necessitates robust support for both national institutions and local authorities. This encompasses institutional backing at the policy level, capacity enhancement, and the provision of tools to facilitate strategic, evidence-based decision-making processes at the district level. These processes are informed by localised knowledge and population engagement, resulting in the identification of priority infrastructure, urban services, and socio-economic facilities. Additionally, addressing the creation of decent job opportunities and accessible housing requires a comprehensive, participatory approach. This entails skills development, bolstering the private sector, particularly within designated economic value chains (this particular activity will be catered under Belgium co-funding). The concept of affordable housing encompasses the dual facets of financial accessibility and the mitigation of technical and societal barriers. These measures will collectively render housing solutions more adaptable to the effects of climate change and the local context.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To ensure an inclusive, competitive and climate change resilient development in the cities of Nyamata and Rwamagana	Percentage of urban population living in informal settlements (MIP indicator)	2021/22: 61.3%	TBD	National institute of statistics - Rwanda (NISR)  Forward/backward looking joint urban sector review reports.	<i>Not applicable</i>
<b>Outcome 1</b>	1. Improved multi-level and cross-sectoral coordination between central and district levels around the planning and operationalisation of sustainable and inclusive urban development.	1.1. Number of public institutions and/or key stakeholders that regularly participate in the coordination mechanisms supported by the intervention.  1.2. Number of government policies developed or revised with civil society organisation participation through EU support (GERF 2.29)  1.3. % of staff of the competent institutions, participants of the training programmes, who report to be using the acquired knowledge and tools.  1.4. Number of district authorities and/or key stakeholders that report better dialogue and coordination with the public institutions with competencies in urban development	0(2024)  0(2024)  0%(2024)  0%(2024)	20(2029)  3(2029)  TBD(2029)  At least 5 professional/staff at district and or from key actors of whom 2 to 3 are women/girls (2029)		The Government of Rwanda (GoR) maintains its political commitment to the implementation of the National Land Use Master Plan and the fulfilment of the Agenda 2030 targets
<b>Outcome 2</b>	2. Enhanced participatory governance and public-private collaboration with the use digital means and smart city tools.	2. 1. Number of people with access to Internet with EU support (GERF 2.11)	0 (2023)  0(2024)	100 000 (2029)  TBD(2029)	Project reports/ Urban Dynamic Maps data	

		<p>2.2. Number of jobs supported/sustained by the EU (GERF 2.13)</p> <p>2.3. Number of competent institutions that have incorporated new digital solutions and tools for their planning, monitoring and operation. Disaggregated by region and type of institutions</p> <p>2.4. Number of citizens that are using the digital platforms to access public services and participate in urban planning. Disaggregated by sex, age and region</p> <p>2.5. Number of institutions that are reporting or making use of Building Permits Management Information System (BPMIS). Disaggregated by region and type of institution</p> <p>2.6. Percentage of citizen satisfied with the use of the tool Urban Dynamic Map (UDM) disaggregated at least by sex and age.</p>	<p>0(2024)</p> <p>0(2024)</p> <p>0(2024)</p> <p>0%(2024)</p>	<p>2(2029)</p> <p>TBD(2029)</p> <p>TBD(2029)</p> <p>75%(2029)</p>	<p>Forward/backward looking joint urban sector review reports.</p> <p>Annual progress reports and or final implementation report and or ex-post evaluations of the project and/or other partners assessment reports</p>	
<b>Outcome 3</b>	<p>3. Increased the access for all residents in their diversity to inclusive and climate-resilient infrastructure and facilities.</p>	<p>3.1. Number of urban infrastructure projects implemented to make satellite city attractive for investment (National Sector Strategic Plan indicator)</p>	<p>0 (2023)</p>	<p>10 (2028)</p>	<p>Project reports/LODA reports</p> <p>Infrastructure works handover documents</p>	

		3.2 . Number of institutions and/or other key stakeholders that endorse the green and affordable housing solutions promoted through the intervention	0(2024)	4(2024)	Final report of supervision mission	
<b>Output 1 relating to Outcome 1</b>	1.1 Trans-sectoral and multilevel coordination mechanisms for urban affairs strengthened in the urban development sector.	1.1.1. Number of Policy Dialogue initiatives supported (of which number of those that involves local authorities participating in Sector Working Groups, and or in Technical Working Groups)  1.1.2. Number of women, men, girls and boys, in all their diversity, participating equally in public planning and consultation meetings on local and national levels, disaggregated at least by sex (GAP III indicator).	0(2024)  TBD	At least 2 Sector Working Groups/ and at least 2 Technical Working Groups organised annually  TBD	Forward/backward looking joint urban sector review reports.  Annual progress reports and or final implementation report and or ex-post evaluations of the project and/or other partners assessment reports	Ministry demonstrates strong commitment to leading this process
<b>Output 2 relating to Outcome 1</b>	1.2 Increased technical capacities of district authorities and institutions to plan and promote an inclusive and sustainable urban growth	1.2.1 Number of professionals/staff recruited and or trained or coached disaggregated, by sex and age and by type of department/ duties.	0 (2024)	At least 5 professional/staff at district of whom 2 to 3 are women/girls (2029)	Annual progress reports and or final implementation report and or ex-post evaluations of the project and/or other partners assessment reports	Local and experienced staff are readily recruited and willing to be trained to support and enable the successful delivery of activities

<p><b>Output 3</b> relating to <b>Outcome 1</b></p>	<p>1.3 Increased availability of updated and relevant information to competent authorities for the design and implementation of policies related to inclusive and sustainable urban development.</p>	<p>1.3.1. Number of decrees and guidelines produced and approved</p>	<p>0 (2024)</p>	<p>3 (2029)</p>	<p>Partners assessment reports (Rwanda housing authority (RHA) + BRD reports)</p>	<p>Implicitly, the studies being carried out on affordable housing will be sufficiently solid and will produce financial models that are sufficiently profitable for investors (whether developers or landowners)</p>
<p><b>Output 1</b> relating to <b>Outcome 2</b></p>	<p>2.1 Improved smart city tools for data collection, decision-making and service delivery around inclusive and sustainable urban development.</p>	<p>2.1.1. Percentage of citizen satisfied with the use of the tool Urban Dynamic Map (UDM) disaggregated at least by sex and age.</p> <p>2.1.2. Number of civil servants/staff benefiting from activities to strengthen urban planning and management disaggregated by sex, age and position type (rank).</p> <p>2.1.3. Number of digital solutions implemented in urban area focusing online services and civic participations</p> <p>2.1.4. Number of persons with access to internet with intervention support (disaggregated by sex, geographic region, urban/rural,</p>	<p>0% (2024)</p> <p>0 (2024)</p> <p>TBD (2024)</p> <p>TBD (2024)</p>	<p>75% (2029)</p> <p>200 (2029)</p> <p>TBD (2029)</p> <p>10% increase from baseline values of urban</p>	<p>Annual progress reports and or final implementation report and or ex-post evaluations of the project</p>	<p>Effective collaboration and interest on the part of e-commerce companies and the government in expanding their services, particularly in unplanned settlements</p>

		age group, and type of connection, i.e. mobile or fixed) (GAP III indicator)		population (2029)		
<b>Output 2 relating to Outcome 2</b>	2.2 Increased capacities of local residents to make use of new technologies and actively engage in participatory planning activities, taking into account gender, age and other digital gaps	2.2.1. Number of people who have benefited from skills development for digitalisation with the support of the EU (GERF 2.14). Disaggregated by sex, age and region  2.2.2. Number of district authorities that have acquired technical and technological capacities to use digital information systems in construction permitting and management	0(2024)  0(2024)	At least 50 professional/staff per district of whom 20 to 30 are women/girls (2029)  At least 5 professional/staff at district of whom 2 to 3 are women/girls (2029)	Annual progress reports and or final implementation report and or ex-post evaluations of the project	
<b>Output 1 relating to Outcome 3</b>	3.1 Improved key infrastructure and facilities prioritised by local communities from an intergenerational and gender-inclusive approach.	3.1.1. Number of persons benefitting from upgraded urban areas support by the project disaggregated by sex, age and disability status  3.1.1.1. % of infrastructures and/or facilities built or rehabilitated through the intervention that address gender inequalities	0 % (2024)  0%(2024)	30% of people living in urban area (2029)  TBD(2029)	Annual progress reports and or final implementation report and or ex-post evaluations of the project and/or other partners assessment reports	District is committed to ensure the operation and maintenance of the facilities provided and to make funds available to support entrepreneurship incubators for young people and women.
<b>Output 2 relating to Outcome 3</b>	3.2 Piloted new models of green and affordable housing construction with the capacity to be replicated and scaled up.	3.2.1. Number of buildings and/or infrastructures equipped, rehabilitated or built following an environmental approach	0 (2024)	70 (2029)	Progress project reports	Studies underway (or to be undertaken in the framework of this action) on affordable housing will be sufficiently robust and

		3.2.2. Number of low carbon houses built or rehabilitated	0 (2024)	60 (2029)		deliver financial models that are sufficiently profitable for investors (whether developers or landowners)
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## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Rwanda

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>5</sup>.

### 4.4 Implementation Modalities of the Budget Support Component

N/A

#### 4.4.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: (i) previous substantial experience in the urbanisation sector; (ii) demonstrated capacity of working with multiple government beneficiaries, local administrations and CSOs; and iii) proven experience in the implementation of similar projects in the country or region.

The implementation by this entity entails developing sustainable and attractive Rwamagana and Nyamata cities by enhancing the living conditions of their population, especially the most vulnerable, by generating an inclusive and climate-resilient socio-economic and environmental ecosystem.

#### 4.4.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case implementation through indirect management with an entity to be selected cannot take place, due to circumstances outside of the Commission's control, the Commission keeps the right to implement the action under the direct management modality through procurement and/or grants. In this scenario, procurement will be used for outputs contributing to outcome 2, whereas grant(s) will be used for outputs contributing to outcomes 1 and 3.

In the case of grants, the applicants would be public entities with a corresponding mandate to be able to implement and oversee investments based on urban planning.

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<sup>5</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### 4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.6. Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>	<b>Third-party contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.4		
Indirect management with an entrusted entity - cf. section 4.4.1.  Specific Objectives :  1. Urban governance is improved at district and central levels  2. Nyamata and Rwamagana are supported in implementing their smart city visions.  3. Adequate, sustainable and resilient urban infrastructure and services are provided to all residents in their diversity – women, men, girls and boys, incl. those with disabilities or being otherwise excluded.	10 000 000	25 500 000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	may be covered by another Decision	
<b>Totals</b>	10 000 000	25 500 000

#### 4.7 Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) will be established to oversee the execution of the action and provide strategic guidance. The committee is scheduled to convene once a year (physically and/or virtually). Additionally, ad hoc meetings may be convened whenever high-level decisions are required for action implementation. The PSC is envisioned to comprise representatives from key entities, including the Ministry of Infrastructure, Ministry of Local Governance, EU Delegation in Rwanda, representative of Implementing Entity (to be selected), and potential participants from institutions such as the Ministry of Finance (MINECOFIN), Local Administrative Entities Development Agency (LODA), National Industrial Research and Development (NIRDA), and Rwanda Housing Authority (RHA). The Belgium Embassy will participate as an observer. Other members may also be invited if deemed necessary, including government ministries/agencies, development partners, civil society or private sector may also be included on a case-by-case basis. Existing local civil society organisations – like women's human rights organisations (i.e. Rwandan Association for Women in Science and Engineering – RAWISE) and those representing persons with disabilities (i.e. National Union of Disabilities' Organisations of Rwanda – NUDOR) shall be involved in the design and participation of the implementation processes. The composition of the Project Steering Committee shall strive for equal representation of women and men in the Committee.

The Project Steering Committee, through its strategic insights and proactive oversight, will ensure the successful execution and comprehensive evaluation of the action, aligning with the specified objectives.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

#### 4.8 Pre-conditions [Only for project modality]

N/A

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Monitoring and reporting on indicators of the logframe matrix, including data collection (baselines, targets) will be under the responsibility of the implementing partner, in collaboration with key stakeholders to the project.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human-rights based approach, and rights of persons with disabilities including diversified indicators to be disaggregated at least by sex.

Monitoring of progress made on the Team Europe Initiative on Sustainable Rwandan cities fit for the digital age will be under the responsibility of each EU partner involved, with an overall intervention logic agreed upon between concerned EU partners.

### 5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluation(s) may be carried out for this action or its components via an implementing partner or via independent consultants contracted by the Commission.

The mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to lessons learnt around informal settlements upgrading mechanisms and housing delivery modalities.

The final evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that pilot housing mechanisms will be tested through the action.

If the evaluation is conducted via independent consultants contracted by the Commission, the latter shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

All evaluation shall assess to what extent the action addresses the human rights-based approach and well as how it contributes to gender equality and disability inclusion. Expertise on human rights-based approach, disability and gender equality will be ensured in the evaluation teams.

As the action is part of a wider TEI, both mid-term and final evaluations may be carried jointly with contributing Member States and EDFIs to provide an overview of the action within the larger impact of the TEI.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

<b>Action level (i.e. Budget Support, blending)</b>		
<input type="checkbox"/>	Single action	
<b>Group of actions level (i.e. top-up cases, different phases of a single programme)</b>		
<input type="checkbox"/>	Group of actions	
<b>Contract level</b>		
<input checked="" type="checkbox"/>	Single Contract 1	Present action will be implemented through a single contract, under indirect management (contribution agreement with an entrusted entity to be selected).
<input type="checkbox"/>	Single Contract 2	
	(...)	
<b>Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)</b>		
<input type="checkbox"/>	Group of contracts 1	