

The Enterprise Partnership Initiative (EPI) of the IWRM Investment Fund: An IWRM Financing Instrument for Change

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David Mitchell

What was Missing Before the EPI?

- IWRM funding was focused only on public sector investments
- IWRM investments in the public sector did not lever in private sector cooperation, co-investment, or address sustainability or maintenance of investment issues
- Public sector investments did little to diversify the catchment-based local economy



What Does the EPI Do?

- EPI is a '**pilot**' response to market signals that there is a private sector appetite for partnership with the Government via a Win-Win approach
- The funding instrument supports independent private sector IWRM 'enabling' investments
- EPI aims to trigger change that results in private-sector support for the GoR's IWRM Agenda, adoption of best practices and outcomes that result in economic diversification at the Catchment level
- EPI is looking to support projects with significant IWRM investment components that are seen as too risky by commercial financial providers to be either completely or partially funded by the market



Some Key Principles

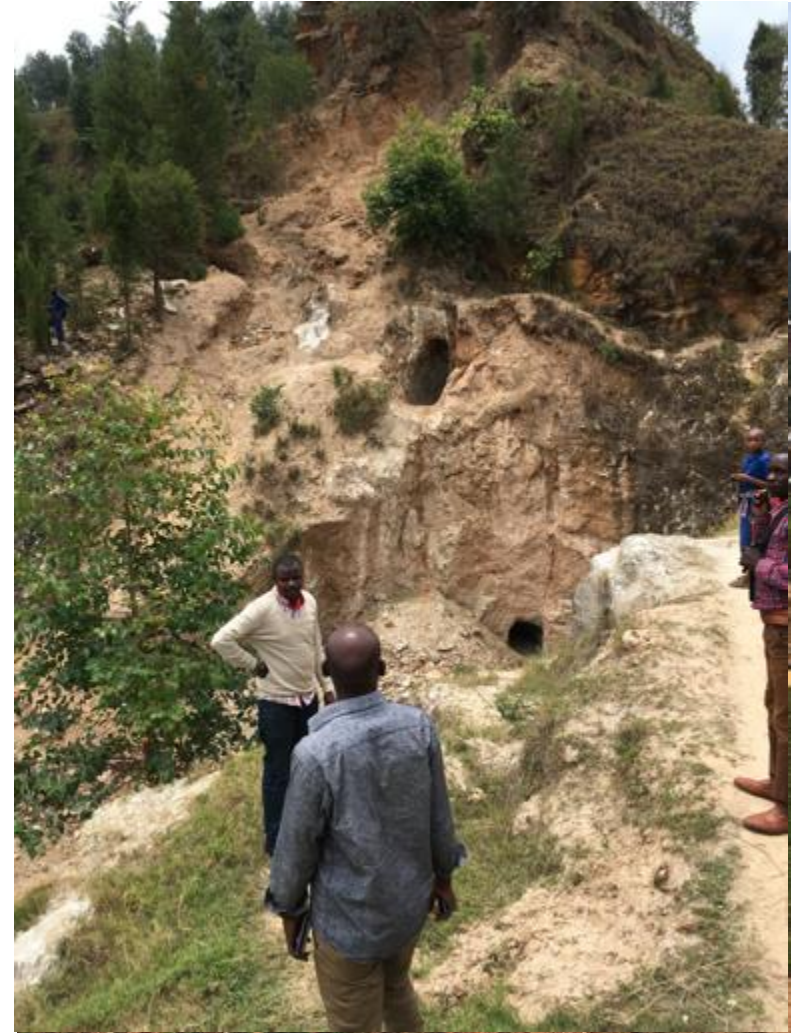
- Projects must have the potential for commercial sustainability
- The bottom line for EPI: It is all about impacts. We are not interested in 'business as usual', as that is what the market already does
- Support from the EPI results in leveraged public interest outcomes and related development impacts
- Supported projects will secure IWRM investment sustainability through direct tie to a viable business model that leverages added-value into a business growth project

Some Key Principles (Cont.)

- Projects must demonstrate that they have the potential for growth, expansion and/or replication
- A private-sector 'for profit' company or organisation must lead the proposed project, however projects can be implemented by and for consortiums
- Disbursements of EPI funding support will only be made on attainment of agreed Milestones on a cost reimbursement basis - after Milestones have been subject to an M&E inspection!
- As a pro-private sector instrument, 'commercial confidentiality' is fully respected and all parties to the appraisal process will sign a Non-disclose/Conflict of Interest statement



Landscape Vandalism



The EPI Process Itself

- Appraisal is a 2 Step process
- Who appraises Project Concepts and Full Proposals?
- The ‘new’ body responsible for appraising both Project Concepts and Full Proposals is the Grant Investment Panel (GIP)
- The GIP comprises representatives from the public and private sectors
- RDB Chairs the GIP, but representatives come from key stakeholder institutions – inc. private accountancy/audit and legal firms, and strategic partners like BRD, RWFA and UoR.



The EPI Process Itself (cont.)

- Step 1 involves applicants developing a short Project Concept Note (PCN) that is subject to an appraisal by the GIP against Knock-out Qualifying criteria
- GIP recommends to the IWRM PSC which PCNs should be developed into detailed Full Project Proposals
- Step 2 - Full Proposals appraised by the GIP against additional criteria and credible project delivery aims
- GIP makes recommendations to the PSC on which projects should be offered grant funding. Unconditional, conditional or rejected
- Recommendations to PSC of the IWRM Programme, and if endorsed, negotiations on Milestones begin, contracting is concluded and implementation begins



Basic Eligibility Criteria for Applications to the EPI

- Activities proposed are in full alignment with the IWRM Agenda of the GoR - 'alignment' means proposals that underpin the Catchment Plan priorities and natural resource management and development agendas of the GoR
- The project is based in one of the four demonstration catchment areas (Muvumba, Nyabugogo, Sebeya or Upper Nyabarongo)
- The subsidy or 'gap' funding support mitigates the perceived 'unacceptable' risk of the project to its financiers
- Initiatives will exhibit financial sustainability and demonstrate value-chain development

Basic Eligibility Criteria for Applications to the EPI

- Projects will demonstrate how IWRM practice can be replicated and extended and how they support the opening up of new business/enterprise development opportunities
- Financial support from the IIF will be contingent on applicants contributing a minimum of 50% of the overall project costs
- Projects are to be implemented by businesses with not less than two years of formal trading in Rwanda
- Projects provide concrete socio-economic and environmental benefits derived from improved catchment management

Mining and IWRM



Additional Criteria for Full Proposal Applications to the EPI

- Projects facilitate best practice adoption, more innovative IWRM investment initiatives, or ‘pilot’ water management initiatives that are currently not fully seen as potentially bankable investments in Rwanda’s future
- They are focused on growth opportunities in the Small and Medium Enterprise (SME) sector, enabling the SME(s) to become drivers of social-economic development within the catchment’s value-chains
- They strengthen institutional, organizational and individual capacities in Rwanda
- They need to demonstrate support for gender equality and the promotion of new, employment opportunities for women and young adults (18 to 30 years old)



Additional Criteria for Full Proposal Applications to the EPI (Cont.)

- Projects promote private sector sensitization and buy-in to GoR's IWRM Agenda
- They reinforce support for PPP approaches leading to mutual benefit, knowledge sharing and promotion of the IWRM Agenda
- They are led by SMEs, with an emphasis on the 20 Priority SME clusters and their value chains as identified in GoR's Ministry of Commerce and Trade (MINICOM)
- They demonstrate Value for Money (VfM) in relation to the aims and objectives of the activity being proposed



Full Proposals are Expected to Deliver such things as ...

- Commercial activity and value-chain development initiatives through watershed protection and development schemes as enabling investments
- Mining process and management systems that improve water and waste control as required by GoR legislation
- Landscape restoration, riverbank protection and watercourse stabilization securing infrastructure investments (enabling investment)



Full Proposals are Expected to Deliver such things as ... (Cont.)

- Innovative IWRM related business models, processes/technologies and products that create new markets for water-based business services
- Upgraded agricultural use floodplains/valley bottoms or hillsides for value-chain development
- Innovative industrial/business infrastructure water management systems (inc. aquifer replenishment, innovative processes for high water-using business activities)



Water Waste and Sustainable Forestry



Murakoze Cyane





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