

Socio-Economic Inclusion of Refugees and Host Communities in Rwanda Project ("Jya Mbere" Project)

Presentation to EIWG

September 1, 2022

Forced Displacement Context

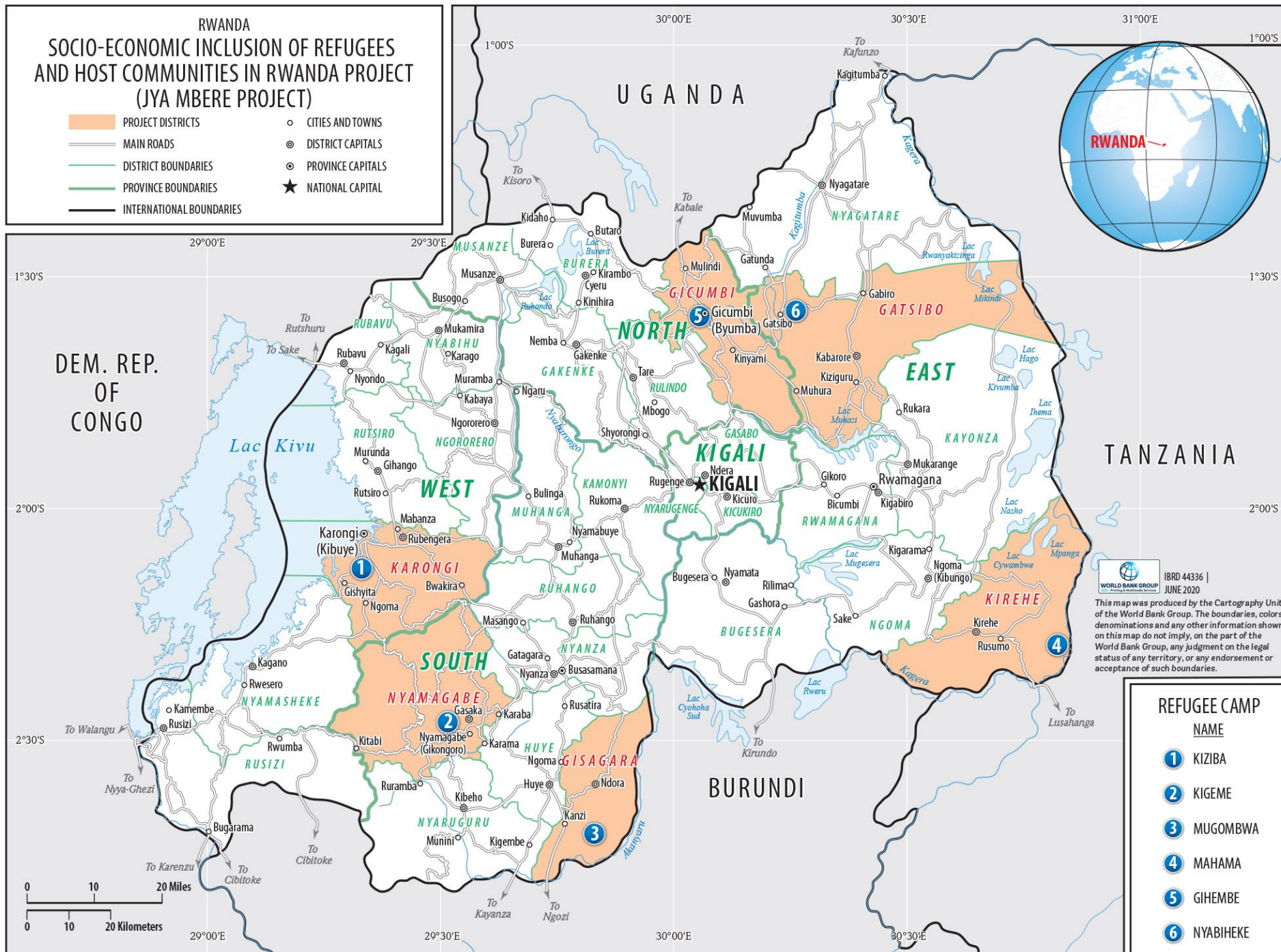
- Rwanda hosts 127,000 refugees and asylum seekers (July 2022 UNHCR)
 - Most from DRC and Burundi
 - Dates back to the 1990s
 - Around 90% in camps in rural districts
- Progressive legal and policy framework
 - CRRF roll out country
 - Freedom of movement/right to work/right to education

Background

- Jya Mbere Project was approved in April 2019 and became effective in August 2019.
- Financing: US\$80m (\$45m grant/\$35m credit). US\$68m from Window for Host Communities and Refugees.
- PDO: to improve access to basic services and economic opportunities for refugees and host communities, and support environmental management, in the target areas in Rwanda
- Components: (i) Access to Basic Services and Socio-economic Investments; (ii) **Economic Opportunity**; (iii) Environmental Management; and (iv) Project Management/M&E.
- Implementation areas: 6 Districts that host the refugee camps (Kirehe, Gatsibo, **Gicumbi**, Karongi, Nyamagabe, Gisagara) plus urban refugees in Kigali, Huye and Bugesera
- Support the government of Rwanda's gradual transition to a long-term development approach to protracted situation of forced displacement.

RWANDA SOCIO-ECONOMIC INCLUSION OF REFUGEES AND HOST COMMUNITIES IN RWANDA PROJECT (JYA MBERE PROJECT)

- PROJECT DISTRICTS
- MAIN ROADS
- DISTRICT BOUNDARIES
- PROVINCE BOUNDARIES
- INTERNATIONAL BOUNDARIES
- CITIES AND TOWNS
- DISTRICT CAPITALS
- PROVINCE CAPITALS
- NATIONAL CAPITAL



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WORLD BANK GROUP
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- ### REFUGEE CAMP NAME
- 1 KIZIBA
 - 2 KIGEME
 - 3 MUGOMBWA
 - 4 MAHAMA
 - 5 GIHEMBE
 - 6 NYABIHEKE

Project Components/ Implementing Arrangements

Access to Basic Services and Socio-economic Investments
MINEMA, Districts & Rwanda Transport Development Agency

Economic Opportunity
Development Bank of Rwanda

Environmental Management
MINEMA

Project Management/M&E.

Component Two: Economic Opportunity

- **Implementing agency:** Development Bank of Rwanda (BRD)
- **Budget:** US\$12 million
- **2 subcomponents:**
 - 2(a): Matching Grant: US\$10.7 million
 - 2(b): Advisory services and capacity-building: US\$1.3 million
- **Guiding Document:** Matching Grant Manual (MGM)

Matching Grant thresholds

**Eligibility:
Grant with
loan from
PFIs**

Loan of Frw 5 million and below

Beneficiary pays 50% of the loan
50% of loan is Matching Grant

Loan from Frw 5M to Frw 25M

Beneficiary pays 60% of the loan
40% of loan is Matching Grant

Loan above 25 Million

Beneficiary pays 70% of the loan
30% of loan is Matching Grant

Beneficiaries of Matching Grant with Loans From PFIs

Cooperatives

- Own contribution of 10% of total project value.
- RCA certificate Good
- Qualify to access loan from a PFI.
- At least 10% of employment or value chain generated by the or Cooperative membership has 10% refugees.

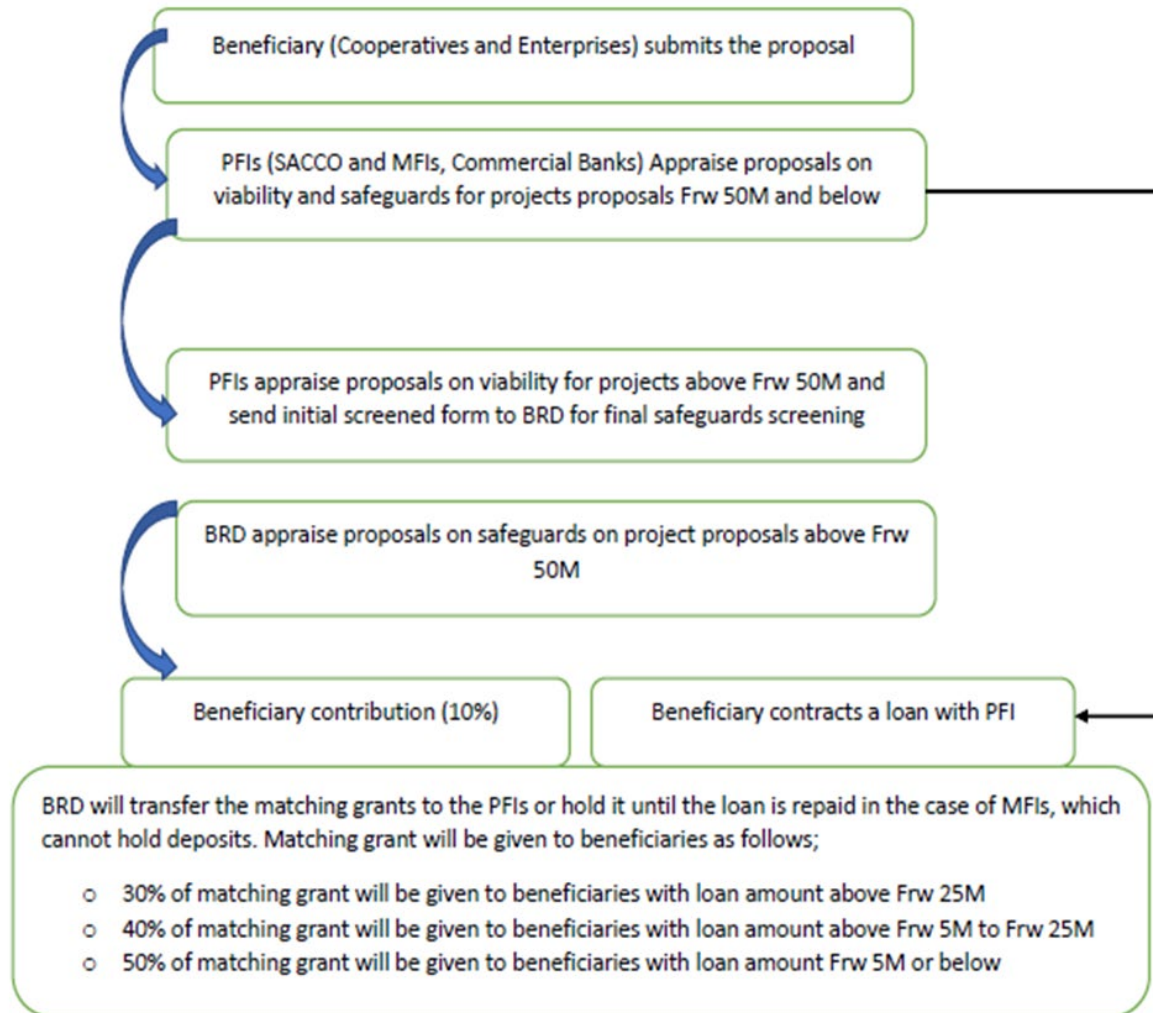
Micro-Enterprises

- Possess trading license.
- Qualify to access loan from a PFI.
- Resident in targeted districts and refugees

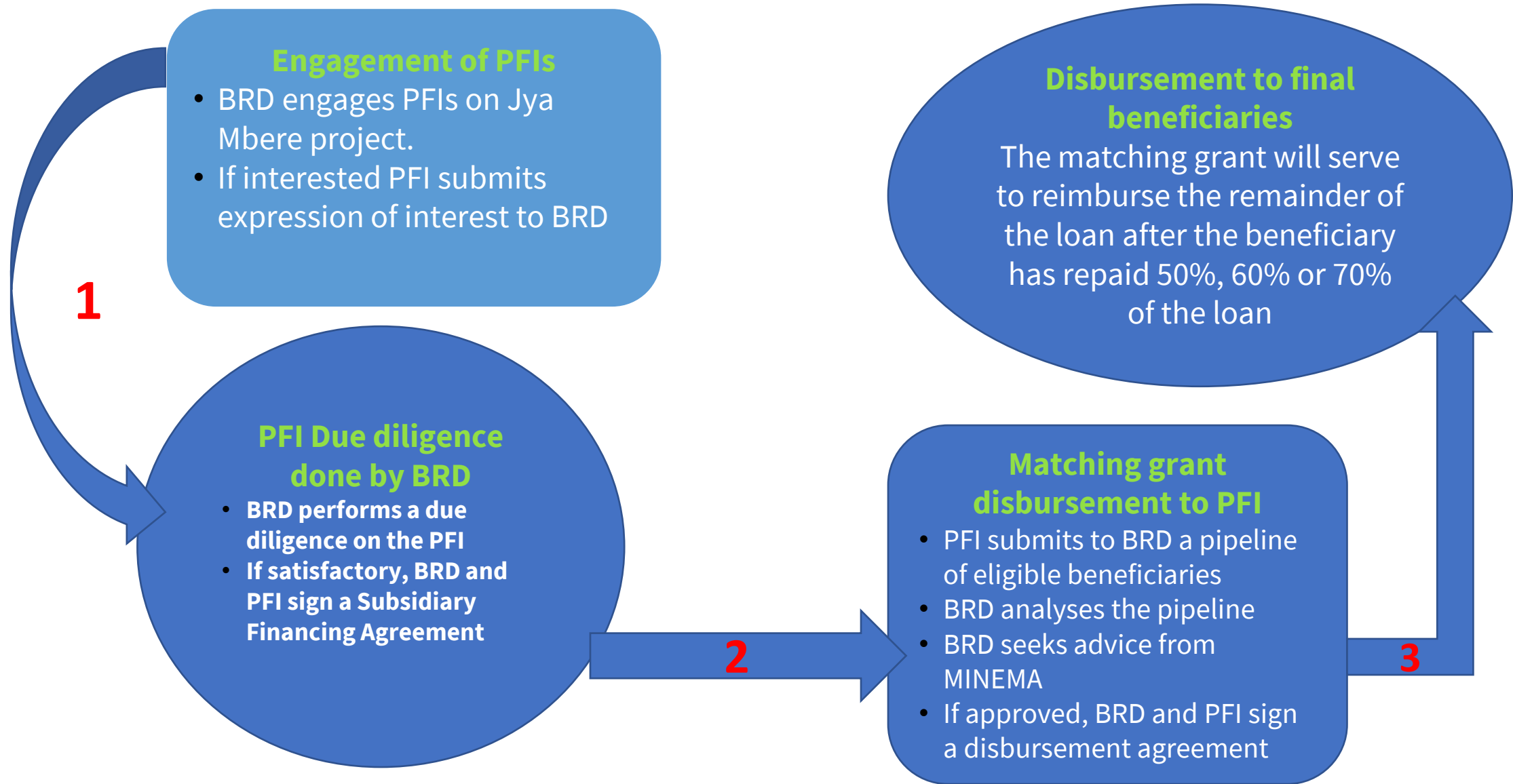
Small and Medium Enterprises

- In addition to conditions fulfilled by Micro Enterprises
- Certificate of domestic company registration.
- 10% of financed project staff are Refugees.

Process of the Matching Grant



Matching Grant Contracting framework- Processes



Progress

- 9 PFIs have signed subsidiary financing agreements with BRD.
- BRD has disbursed Frw 2.8 billion (USD2.7 million) to PFIs
- PFIs have disbursed Frw 565,710,671 (USD543,000) in matching grants to 1,314 beneficiaries
 - 47.4% women
 - 43.3% refugees.
- Capacity-building firm hired to build capacity along the financing value chain:
 - PFIs
 - Business Development Advisers (including in camps)
 - Potential entrepreneurs

Success Factors/Challenges

- **Success factors**

- Increasing interest of financial institutions in refugees as clients and in the target districts
- Reaching beneficiaries in and around the camps
- Supporting existing financial institutions in Rwanda
- So far, evidence suggests businesses are sustaining and generating profits (need more comprehensive data, however)

- **Challenges**

- Lack of FI presence in target areas
- Attracting new investment along potential value chains/supporting start ups
- Focus on quality of portfolio rather than just transactions
- Collateral requirement

Thank you