The Republic of Rwanda

Rwanda Development Board

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NATIONAL SKILLS DEVELOPMENT AND
EMPLOYMENT PROMOTION STRATEGY
2019 - 2024
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<tr>
<td>BDA</td>
<td>Proximity Business Development Advisors</td>
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<td>BDF</td>
<td>Business Development Fund</td>
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<td>CAGR</td>
<td>Compounded Annual Growth Rate</td>
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<td>CSO</td>
<td>Chief Skills Office</td>
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<td>DFI</td>
<td>Development Finance Institution</td>
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<td>FDI</td>
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<td>GDP</td>
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<td>HDI</td>
<td>Human Development Indices</td>
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<td>IBT</td>
<td>Industry-Based Training</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IPRC</td>
<td>Integrated Polytechnics Regional Centre</td>
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<td>KIC</td>
<td>Kigali Innovation City</td>
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<td>MIFOTRA</td>
<td>Ministry of Labour and Public Service</td>
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<td>MINAFFET</td>
<td>Ministry of Foreign Affairs and International Cooperation</td>
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<td>Ministry of Finance and Economic Planning</td>
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<td>MOH</td>
<td>Ministry of Health</td>
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<td>MSME</td>
<td>Micro, Small and Medium-Sized Enterprise</td>
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<td>MVT</td>
<td>Massive Vocational Training</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>NAEB</td>
<td>National Agriculture Export Board</td>
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<td>National Employment Program</td>
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<td>NISR</td>
<td>National Institute of Research and Statistics</td>
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<td>National Skills Development and Employment Promotion Strategy</td>
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<td>NST1</td>
<td>National Transformational Strategy</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PSDYE</td>
<td>Private Sector Development and Youth Employment Strategy</td>
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<td>Private Sector Federation</td>
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<td>Rwanda Development Board</td>
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<td>RRT</td>
<td>Rapid Response Training</td>
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<td>Small and Medium-Sized Enterprise</td>
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<td>Technical and Vocational Education and Training</td>
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<td>University of Rwanda</td>
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Foreword

Rwanda is at a key moment in its growth, as the country transitions from Vision 2020 to Vision 2050, aiming to secure high standards of living for all Rwandans. To achieve this ambitious goal, Rwanda must build a dynamic and capable workforce, meeting the rising demand for high-skilled jobs.

This strategy aims at upskilling Rwanda's workforce for long-term economic transformation by putting private sector at the helm. In doing so, it follows the principles embedded in the National Strategy for Transformation, the Private Sector Development and Youth Employment strategy, and other relevant national documents.

Primarily, this strategy builds upon the National Employment Program (NEP). It seeks to amplify NEP’s successes, such as attending the upskilling needs of investing companies through the Skills Development Fund (SDF), while addressing its shortcomings, such as insufficient private sector engagement and weak accountability.

In addition to drawing from international best practices, this strategy proposes solutions uniquely tailored to the Rwandan context. Among others, it will boost accountability, following Imihigo’s inspiration, by promoting performance-based management in skills development; it will leverage Rwanda’s growing expertise in technology for Evidence Based Workforce Planning and Matching and will promote investment by supporting rapid workforce upskilling through the new Capacity Development Programme.

The Rwanda Development Board (RDB) gladly accepts the mandate to guide this strategy. Its leadership will seek to create synergies when coordinating skills development and investment promotion, ensuring Rwandans are equipped with market-relevant skills.

The programs laid out in this strategy, and the aims set for each, are ambitious but achievable. This work will be effective through the close collaboration of public, private and social sectors; and rigorous accountability for results. I commend this report and strategy to you.

Clare Akamanzi
Chief Executive Officer
Rwanda Development Board
Executive summary

Skills development and employment promotion are central to Rwanda’s transformative vision, aiming to become an upper-middle income country by 2035, and ultimately a high-income country by 2050. Vision 2020 laid the groundwork for Rwanda’s progress towards a middle-income export-oriented economy, through prioritising knowledge-based industries. Whilst steps have been made, to achieve this long-term goal Rwanda must build a skilled and dynamic workforce, meeting the demand for an additional ~5M quality jobs by 2050.

Today, Rwanda’s skills base is a constraint to growth of existing businesses, limits investment, and is not enabling a rapid transition to a middle-income economy. Opportunities to grow skills through employment are too few; and once in a job there is little support to continue personal growth. This has an impact on economic growth and associated job creation. The question this strategy addresses is: “How can Rwanda create a skills base that can eventually support a middle-income economy?”

This strategy defines a vision of an optimised skills and employment ecosystem, to foster long-term economic transformation. Under such aspirational conditions, there is no gap between the supply of skills and demand for them. In this vision, the talent that businesses need to grow and innovate is available in the economy. This talent base grows in quantity and quality over time, enabling Rwanda’s transition over the longer term. A fully equipped talent base in turn is also a net job creator, through entrepreneurship. SMEs are fully equipped to grow – and therefore to maximize job creation in lockstep with the overall growth of Rwanda’s economy. Finally, there is a well-functioning system connecting job seekers, employers, and the education pipeline. Employers and workers can find each other, and educators can adapt rapidly as workforce needs change. The NSDEPS supports this vision, to become a reality.

The strategy aims to support this long-term vision through five themes. The activities focus on demand-driven interventions, specifically skill development that fulfils the needs of current businesses and potential investors. To achieve this there must be strong private sector engagement and leadership. Monitoring and evaluation of this should be impact led, focusing on employment outcomes. Given the need to focus on what is most effective, there must be flexibility to test and learn and adapt programming fast. These findings will support allocating resources to what works best, through performance-based management.

Equipping the workforce for economic transformation is a vast objective, owned jointly by the government and people of Rwanda. This strategy addresses part, but not all of the challenge. Other areas of Rwanda’s strategic intent are covered under other national strategies. Specifically, the themes that guide the country towards 2035, and onto 2050, are included in Vision 2050. In supply of skills, a holistic view of how to support the growth of human capital through education is covered by the Education Sector Strategic Plan. In demand for labour, creating additional jobs to reduce national-level unemployment is addressed by NST1. National economic policy will create the conditions for economic growth, thus supporting
growth of businesses and jobs, led by MINECOFIN. Finally, a wide range of policies, from Health to Infrastructure and beyond, will contribute to the ultimate goal of ensuring high standards of living for all Rwandans.

Design principles
This strategy acknowledges certain fundamental tensions and trade-offs that impact how programs are designed and planned. It is designed to adhere to the following core principles:

- **This strategy is both ambitious and actionable:** The strategy focuses on actions that can support skills for work; in the context of many other interrelated challenges that affect the topics of education, economic growth, and job creation. Rather than attempting to support every skill that might potentially be needed now or in the future, this strategy prioritizes key demand-driven interventions to accelerate employment creation and growth.

- **It focuses on the next five years, with long-term aims:** Whilst immediate actions are listed, and a five-year plan in place, this work sets the foundations for transformation to 2035 and 2050. To do so, the strategy will support nascent high-value added sectors and build critical skills required for transformation.

- **It is rooted in facts and past work and is also innovative:** The strategy draws on the ongoing work and lessons from the National Employment Program; and also proposes new ideas outside of NEP’s remit (e.g. the National Training and Education Excellence Program).

- **It is informed by international experiences, to become distinctly Rwandan:** Best practice elsewhere has been shaped by the Rwandan context; for example, through the principle of accountability (Imihigo); and through Rwanda being confident to export its talent with the world – with the greater aim of building skills for the country in the long term. For instance, the strategy will encourage investment by developing tailored skills through the Capacity Development Programme and increase accountability in formal education with the National Training and Education Excellence Award. The approach to bringing skills back to Rwanda is laid out in the Global Talent and Opportunity Program.

- **It is RDB led, and jointly owned:** The CSO has a convening, coordinating and accountability role across the strategy, and will engage other institutions to conduct programming, as laid out in the governance section of this report.

Transforming the skills of Rwanda to a middle-income economy

**The current Rwandan skills base is suitable for a low-income economy.** 14% of the workforce is unemployed and not actively building skills. Of those working, the majority of jobs (60% of employment) are in agriculture, retail and construction – three sectors with low relative incomes and lower skill requirements.

**Major, long term investment is needed to right-fit Rwanda’s skills base for middle income status.** As a middle-income country the economy will have shifted towards services and industry, and a more capable workforce will be needed across all sub-sectors. There is a natural trade-off for this strategy between tactical activities that may solve immediate gaps,
against investing for long term transformation. This strategy considers and includes both, with the focus being on developing skills and promoting jobs for economic transformation.

This strategy is built on 3 pillars, covering skills development, employment promotion, and matching. The proposed programs are the product of an in-depth analysis about the current skills development and employment status in Rwanda. This included a review of Rwanda’s development plans, and a wide consultation from relevant actors in the public, private and social sectors.

**Pillar 1: Skills Development**

Skills development, through education (TVET & university) and work experience, does not currently respond to labour market needs. TVET and university outcomes are hampered by the quality of the students that they can intake from secondary education. TVETs & universities are not effectively providing students with the skills they need for work – as shown by just 20% of recent TVET graduates being fully employed after graduation. Also, few high-level skills are being developed through direct work experience. No high-skill sub-sector accounts for more than 5% of total employment, showing that the pool of quality skills is small. Relatively high-paying occupations, such as professionals, managers and technicians represent less than 10% of the total employed labour force.

This pillar aims to achieve one central goal: to ensure current employers and interested investors can access the skills they need, now and in the future. The National Training and Education Excellence Programme will create visibility on how effective TVETs, and Higher Education institutions are, reward outperforming institutions, identify best practices and solve critical emerging issues. The Market-led education initiative will support a demand-led approach, through elevating the voice of the private sector, reinvigorating the Sector Skills Councils, and ensuring that the sectoral skills gaps are clear. The Capacity Development Programme will (a) allow skills development to be responsive to investors and the development priorities of the government (e.g. financial hub, health tourism etc.) and should come alongside the RDB investment promotion team to support increased strategic investments in the country; and (b) support capabilities development within the public sector. As we build skills for the present, we will also be building skills for the future, through creating pools of talent that can be used as a pathway for ever-more complex industries.

**Pillar 2: Employment Promotion**

Across the Micro/Small/Medium business segment, there are three main challenges: access to markets, access to finance, and access to business advisory services. The majority of all employment opportunities are in the micro-business segment, but these organisations invest little in growing their staff. There is also a growing start-up scene for high-potential businesses – Rwanda’s start-up investment per capita is similar to Kenya and South Africa.
This pillar ensures that Rwanda maximizes its jobs multiplier – as new investments are made, as many ancillary jobs are created as possible – by promoting business growth. The Access to Markets Program will support Rwandan firms by facilitating access to domestic and international markets. The Access to Capital Program will provide appropriate finance to Rwandan businesses, enabling them to grow when they can. The High-Quality Business Advisory Services Program will build businesses capabilities and know-how. The Labour Market Analysis Program will provide analysis on the impact of government policies on employment, to inform decision-making. This pillar is focused on programs that will support the creation of jobs, and thus opportunities for the workforce.

**Pillar 3: Matching**

Currently, information flows between skills demand and supply are scarce in Rwanda, and job-seekers and employers struggle to connect effectively with each other. As a result, there are mismatches between labour supply and demand, and individuals may not be employed in an appropriate job. Personal connections (32%) are the leading mechanism for TVET graduates to access their first source of employment. For higher education graduates, responding to a job advertisement (27%) is the most popular, but most surprising is the lack of involvement of universities; schools help with just 2% of job placements. Only ~5% of unemployed Rwandans have used employment services or online tools to seek employment.

This pillar aims to support a well-functioning jobs ecosystem that connects job seekers, employers, and the education pipeline. The Evidence Based Workforce Planning and Matching Program will support an ecosystem where employers and workers can find each other, and educators can adapt rapidly as workforce needs change. An integrated data system connecting job-seekers profiles and job opportunities will be the cornerstone to achieve this goal. Furthermore, it will enable an ongoing labour market planning to bring the demand and supply sides more aligned over time. The Strengthening Employment Services and Career Guidance Program will promote active linkages between skills supply and demand, providing incentives for career services and matching providers based on performance. The Graduate Labour Market Transition Program will build market-relevant skills among the youth and help firms and institutions identify and test suitable talent. The Global Talent and Opportunity Program will support the closing of skills gaps through the import of talent (foreign and diaspora), by proactively seeking out these individuals and facilitating their transition into the Rwanda jobs market.
I. Background

I.1. Skills and jobs at the core of Rwanda’s economic transformation

Vision 2050 foresees Rwanda as an upper middle income country by 2050. To realize this audacious ambition, it emphasizes innovation, integration, agglomeration, and competition as key drivers for sustained, inclusive growth in Rwanda, with a focus on six priority areas: (1) human capital development; (2) export dynamism and regional integration; (3) well-managed urbanization; (4) competitive domestic enterprises; (5) agricultural modernization; and (6) capable and accountable public institutions. Skills and jobs weave a common thread through all of these priority areas of Vision 2050.

The National Strategy for Transformation 1 (NST1) articulates Vision 2050’s implementation plan during 2017-2024. It recognizes the country’s challenges, among them: (1) slower overall economic growth than desired; (2) low productivity in agriculture arising from weak value chain development, poor access to credit and markets, and low farmer professionalization; (3) weaker than expected progress in export diversification and growth, with only services driven by tourism achieving notable gains; and (4) mixed results in education, with nearly universal access to but low completion in primary education and low transition rates to secondary education. Yet, the NST1 also identifies the country’s critical opportunities, including: visionary leadership, a results-based culture, self-reliance (Home Grown Solutions), the rule of law and order, and zero tolerance for corruption; a youthful population (with about 78 percent of its 12 million people aged 35 and below); membership in regional economic blocks giving access to markets beyond its borders; the potential for strategic investments to grow knowledge-based industries and services; and to improve agricultural productivity. The NST1 specifies three directions for transformation: economic, social and governance, and identifies specific indicators, targets and roles and accountabilities for results in each of these areas. Capacity building is a cross-cutting priority in the NST1. It necessarily entails building a skilled and dynamic workforce attuned to the emerging jobs landscape envisioned by NST1’s transformation agenda.

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1 World Bank and Government of Rwanda (2019). Drivers of Growth
2 The NST1 merges the 7-Year Government Program (2017-2024) and the national medium-term development strategy, which were previously standalone documents. It is the implementation instrument for the remainder of Vision 2020 and for the first four years of Vision 2050 (Govt. of Rwanda (n.d.) “7 Years Government Program: National Strategy for Transformation (NST 1). 2017 – 2024. Final,” Kigali: Govt. of Rwanda.)
3 Growth averaged a solid 6.1% p.a. during 2013-2016 but fell short of the target of 11.5% p.a. for 2013-2020; exports grew at 15% p.a. during 2013-2016, against a target of 28% p.a. (Govt. of Rwanda (n.d.).
4 Other cross-cutting areas include: HIV/AIDS and Non-Communicable Diseases, Disability and Social Inclusion, Environment and Climate Change, Regional Integration and International Positioning, Gender and Family Promotion, Disaster Management.
I.2. The National Skills Development and Employment Promotion Strategy

The NSDEPS, a critical component of the NST1, falls under the mandate of the Rwanda Development Board. Building on lessons from its predecessor, the National Employment Program (2014-2019), the NSDEPS identifies priorities for building skills and promoting employment in light of Rwanda’s new vision for transformation. Lessons learned from implementing the NEP informs its approach, as does new research and current government strategies in a range of related domains. Because implementation of the NSDEPS requires collaboration with multiple partners, including public, private and social institutions, it has been developed through systematic consultation with a wide range of stakeholders.

The NSDEPS acknowledges a symbiotic, two-way link between skills development and employment promotion. To give some specific examples, a better skilled workforce can attract external investment, thus growing the economy and expanding job opportunities. If these jobs are sufficiently attractive, more people in the Rwandan diaspora would return and help boost the quality of the workforce. A workforce with skills tightly aligned to what the private sector needs will enable Rwandan Micro Small and Medium Enterprises (MSMEs), the dominant type of firms in the economy, to grow more sustainably and rapidly. As the MSMEs grow in sophistication, they can in turn invest in fostering the acquisition of more complex skills by their workers, thus triggering and sustaining a virtuous cycle of better skills leading to better jobs.

Figure 1: Framing the interaction between skills development and employment promotion

Source: Authors’ compilation 2019.

The NSDEPS has a well-defined scope: building workforce skills for jobs. It focuses on those already in the labour market or on the cusp of entry, including students enrolled in technical and vocational education and training (TVET) and tertiary education or in non-formal courses of training. It adopts a narrow focus on skills for jobs. There, it is not a strategy to

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5 An overview of how this strategy interacts with other national documents is provided in Annex I.
6 Figure 17 provides an overview of stakeholders consulted in the development of this strategy.
address early-stage human capital development and to support business creation during the conceptual phase. These areas are addressed in the following strategies:

- **Fostering early childhood development**, which comes under the National Early Childhood Development Strategic plan;
- **Reducing stunting in children**, which comes under the Third Rwanda Health Sector Strategic Plan;
- **Improving primary and secondary education**, which are addressed by the Education Sector Strategic Plan, the Education Sector Policy, and the Nine-Year Basic Education Policy;
- **Providing rehabilitation support** is covered under the plan of the National Youth Policy;
- **Offering business start-up support at concept stage**, which is addressed by the Private Sector Development Strategy, SME Policy, and Made in Rwanda Policy; and
- **Boosting overall job creation**, which depends on a wide range of range of macroeconomic parameters and regulatory factors (e.g., GDP growth, interest rates, taxation regimes, labour laws, and so on).

As an ‘apex’ document covering the remaining period of NST1 (i.e., 2020-2024), the NSDEPS focuses on the most significant challenges in building skills for jobs in the Rwandan context in the coming years. As such, it emphasizes the following

- **Distillation of lessons** learned from its own experience in implementing NEP, as well as good practices from the experience of other countries;
- **Actionable programs and a time-bound implementation plan** for which detailed implementation guidelines will be developed by respective stakeholders after its finalisation; and
- **The symbiotic two-way link between skills and jobs**, so as to minimize the risk of building skills for its own sake, and encouraging, instead, a close tie to employment (e.g., through entrepreneurship and MSMEs development).

The rest of this document elaborates on the challenges of skills for jobs in Rwanda, the lessons of experience, and the key priorities and arrangements for implementation under the NSDEPS.
II. Situational Analysis

Introduction
The Situational Analysis describes the context and identifies the main challenges and needs for skills development and employment promotion in Rwanda. It exploits primary data and institutional publications to provide data-driven insights for the National Skills Development and Employment Promotion Strategy.

This chapter provides a macroeconomic context (II.1), overviews the skills and employment landscape (II.2), reviews existing policies under NEP (II.3) and summarises key future skills (II.4). The skills and employment landscape (II.2) is divided into the following sub-sections:

- **Skills supply and development**: Analysing skills supply and development in Rwanda.
- **Private sector employment generation**: Identifying the businesses’ most pressing needs to unlock job creation in Rwanda.
- **Matching between skills supply and demand**: Understanding how skills supply and demand currently affect each other, how employees are matched with employers and how data is used to reduce frictions in the labour market.

II.1. Macroeconomic and Labour Market Context

II.1.1. Macroeconomic context

In the 21st century, Rwanda has experienced fast and sustained growth, with a gradual shift towards services away from agriculture. According to the National Accounts 2017, from NISR, Rwanda’s GDP has expanded at yearly rate of 8% from 2000 to 2017. In that period, services have outgrown the rest of the economy, increasing their share of GDP by almost 10 percentage points. In parallel, agriculture’s relative contribution to national output has decreased by another 10 percentage points, while almost tripling in absolute terms. Finally, the industrial sector has grown moderately faster than the national economy, slightly increasing its share of GDP. To achieve the Vision 2050 target set, 12% ongoing annual growth will be required. The path to future growth will also have to be multi-sectoral; for example, the interrelated nature of the manufacturing and services sectors will prevent any one sector from expanding quickly on its own.\(^7\)

The future of work will be increasingly digital, automated and distributed. Globally the nature of work is changing, and few detailed predictions are likely to be accurate to 2035, even less 2050. The current wave of technological change based on advancements such as artificial intelligence (AI) and automation has created widespread fear of job losses and further rises in inequality\(^8\). However, it is important to note that it can also create opportunity. Adoption and

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\(^7\) World Bank, Future Drivers of Growth, 2018

\(^8\) ILO, “The economics of artificial intelligence: Implications for the future of work” 2018
usage of digital technologies raises the productivity of capital and labour and can enable participation in global value chains\(^9\). Furthermore, many jobs are already digital, or digitally-enabled. In other regional markets, the proportion of digital or digitally-enabled entry level jobs can range from 6% (agriculture) to 79% (finance and insurance).\(^{10}\)

The future of Rwanda’s growth will be strongly influenced by the skills available for productive use. The *National Strategy for Transformation* puts it thus: “the main contributing factor to real GDP growth will be growth in labour inputs: quantity improvements through a growing labour force; and quality improvements through increasing the human capital and productivity of workers”.

II.1.2. Labour Market Context

General labour market statistics

**Employed Rwandans represent roughly half of the country’s population over 16 years old.** Among those out of the labour force (45%), half are engaged in subsistence agriculture. It worth noting that, after a recent methodological change, the *National Institute of Statistics of Rwanda* (NISR) does not count subsistence agriculture as a type of employment. Unemployment affects 14% of the labour force, while 27% of employed workers deal with time-related underemployment.

**Women, rural population, youth and mature middle-aged are more likely to be out of the labour force.** Women are 20 percentage points more likely to be out of the labour market than men (54% vs. 35%), as they more frequently engage in unreported subsistence agriculture and unpaid domestic labour. The rural population is substantially more likely to be out of employment than the urban population (48% vs. 33%), due to a higher likelihood of participation in subsistence agriculture, and more limited access to job opportunities. Finally, the youth and the mature middle-age, having received limited education, are also less likely to be integrated into the labour force (although a significant share of youth out of labour force will be in full time education).

**Unemployment affects more widely the women, mid-educated workers and the youth.** Women are 5 percentage more likely to be unemployed than men (17% vs. 12%), perhaps reflecting more limited access to education and unequal hurdles to find employment. Mid-skilled workers, having completed upper secondary education, are by far the most likely to be unemployed. This phenomenon might be explained by three non-exclusive drivers: (a) lower involvement of mid-skilled workers in subsistence agriculture, (b) higher job demands which cannot always be matched by labour market opportunities and (c) poor quality or market-relevance of secondary and vocational education.

**Underemployment is far more prevalent in rural areas, compared to urban.** Rural workers experience similar unemployment to urbanites (14% vs. 15%). However, they are almost three

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\(^9\) Miller and Atkinson, 2014.

times more likely to be underemployed (32% vs. 12%), due to high temporality and seasonality of agricultural employment and scarcity of opportunities in rural areas.

**Employment overview by sub-sector and occupation**

**Agriculture, Retail and Construction account for over 60% of employment in Rwanda.** Agriculture alone, excluding subsistence agriculture which does not target commercialization, represent 36% of employment. Other sizeable sub-sectors include Household Services, Manufacturing and Transportation & storage.

**Figure 2: Employment by sub-sector and level of education attainment [2018, thousands (%)]**

Rwanda’s largest sub-sectors employ few educated workers while high-skill sub-sectors are still relatively small. In Agriculture, Retail and Construction, educated workers, defined as having at least completed upper secondary education, represent less than 25% of total workers. On the other hand, no high-skill sub-sector accounts for more than 5% of total employment.

**Figure 3: Share of total employment and share of educated workers per sub-sector [2018, (%)]**

**Source:** Labour Force Survey 2018, NISR, Dalberg Analysis 2019.

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11 *Labour Force Survey 2018, NISR.*
Nearly 80% of Rwandans work in elementary occupations, services and sales or craft and trade, with an average hourly wage below 1,000 RWF per hour. Approximately half of employed Rwandans have an elementary occupation requiring no specific skills, while 20% are focused on services and sales. None of the four most frequent occupation has an average hourly wage above 1000 RWF per hour. Relatively high-paying occupations, such as professionals, managers and technicians represent less than 10% of the total employed labour force.

II.2. Skills and Employment Landscape

II.2.1. Skills supply and development

*Context: Skills development across the life cycle*

Although the NSDEPS focuses on the later stages, skills development is a life-long process from early childhood to adulthood. Despite remarkable efforts, Rwanda still lags behind its peers in terms of formal educational attainment. From 1990 to 2010, the expected years of schooling of a typical student in Rwanda doubled, from 5.7 to 11.1 years. However, that positive trend has ceased in recent years, and the expected years of schooling have stagnated since 2010. Moreover, given scarce schooling in the late 20th century, Rwanda’s current workforce only has 4.1 years of schooling on average, below the Sub-Saharan mean (5.6 years) and the average for low HDI countries (4.7 years). This shortage of basic education challenges late-stage upskilling initiatives, as certain skills (e.g. languages) are more easily trained at a young age.

Across all education levels, beyond improving operational indicators, such as number of graduates or grade completion rates, Rwanda should focus on education and training quality, leading to employment. For example, ~85% of students having complete grade 3 were rated “below comprehension” on a recent reading test, while one in six students could not answer a single reading comprehension question. Poor teaching quality translates into poor skills, which ultimately explain low productivity growth. Learning and employability should thus be key metrics to evaluate the NSDEPS’ success.

Insufficient skills development translates into relatively low and slowly growing labour productivity. Countries with a similar GDP to per capita to Rwanda tend to have a higher labour productivity. Rwanda’s GDP has also grown noticeably faster than its labour productivity. According to the World Bank’s estimates, some sectors such as construction, manufacturing and financial services have even experienced negative labour productivity from 2001 to 2016 (e.g. Construction and Manufacturing).

*TVET in the context of NST 1*

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15 *Idem*. 
Based on NST 1 ambition to increase the proportion of students pursuing Technical and Vocational Education and Training (TVET) from 31.1% in (2017) to 60% by 2024, the need to make TVET training relevant to labour market needs is pertinent and one of the strategic interventions of NST 1. Currently, TVET is struggling with a low reputation among youth and often chosen as the last potential option. Improving the quality of teaching and demonstrating the returns to students, who are well suited to technical training is needed to improve the attractiveness of these programs (Drivers of Growth, p.78).

However, currently insufficient private sector engagement still poses an obstacle for TVET and Higher Education institutions to provide market-relevant skills. This is reflected in low employer satisfaction with regards to the relevance of the skills of TVET graduates which was estimated at 60%. As analysed in the National HRD Strategy (2018) private employers do not have experience in working with TVET providers (p.62), which points to the limited collaboration between industry and the education system often identified by the private sector as a challenge. In 2018, the unemployment rate among TVET graduates amounted to 17% and ~50% of TVET graduates and ~40% of Higher Education graduates reported not being satisfied with their skills development.\(^{16}\)

This can be attributed to two elements: Insufficient private sector involvement in curriculum design and implementation and nascent performance tracking especially for TVET Institutions with regards to labour market outcomes.

**Performance Tracking of TVET labour market outcomes**

**TVET and Higher Education institutions do not track their graduates’ labour market outcomes, so management and resource-allocation decisions are rarely based on impact.** Recently, Rwanda has launched under WDA, the *National Tracer Survey for TVET and Higher Education Graduates and Employer Satisfaction*. This annual study tracks aggregate employment outcomes for TVET and Higher Education studies. However, the information is taken for a sample of graduates and is not analysed at a faculty or institution level. Therefore, neither budget allocation nor target technical support for TVETs and Universities are linked to the graduates’ learning or employment outcomes. This does not allow to identify best practices and underperforming trainings, so it is hard to expand the former while limiting the latter. Additionally, there is no guarantee that funds are channelled to the most cost-effective and impactful training for Rwandans.

**Private Sector involvement in TVET and Higher Education**

**Insufficient private sector engagement in TVET and Higher Education is reflected in at least three dimensions:** (a) inadequate framework of curriculum design for private sector participation, (b) limited exposure of students to private sector throughout their studies, and (c) missing feedback loops between private sector and training to on-going refinements in the implementation of curriculum.

Private sector involvement in curriculum design

At TVET level, the curriculum development follows a rigorous process, which foresees strong private sector involvement. For this purpose, in 2012 WDA has adopted the use of the DACUM approach in curriculum design, which ensures private sector involvement along all stages. They have developed a pipeline of DACUM certified trainers\textsuperscript{17}, who are supporting the design of curriculum across all TVET trades. At initial stages, private sector representatives are identified and invited by RP and WDA to participate in the curriculum design from occupational analysis to complete curriculum. This process takes place during a three to four-week workshop, usually held outside of Kigali. RP hereby facilitates private sector representatives to attend. However, this approach is not adequate for large or medium sized private sector companies that will not be able to spare this amount of time to participate in workshops. In several engagements with employers, it was found that they are not able to participate in curriculum development, due to other conflicting engagements, which do not allow them to allocate a total of one months to participate in curriculum design out of which they do not derive any immediate benefits.\textsuperscript{18}

At University level, the DACUM approach has been introduced of recent for three priority sectors, e.g. Energy, Transport and Logistic and Agro-processing. For these three sectors and based on sector skills audits findings, programmes have been reviewed and new programmes have been designed using the above approach, with a strong involvement of private sector. Based on the lessons learnt of this pilot in three priority sectors, it is planned to scale up the use of this approach to other sectors.

Exposure of students throughout their studies

Private sector involvement throughout the implementation of the curriculum is of pertinent importance to expose students to the world of work and ensure they are equipped for the labour market once they graduate. Private companies play an important role in industrial attachment in favour of TVET students, and also participate in industrial Based Training (IBT)/Apprenticeship under National Employment program targeting out of school youth, women and People with Disabilities.

There are a number of programs under SDF, which foresee the integration of practical learning experience throughout the curriculum. However, private sector has not responded with much enthusiasm so far (PSDYE 2018). For example, under window 3 of SDF, which caters for internship and apprenticeship for TVET students, the target numbers are very far from being accomplished. As of May 2019, only 25% of the targeted beneficiaries had been reached\textsuperscript{19}. This can be attributed to limited interest from private companies to participate in the program and host interns. The reason being, among others, the lack of adequate insurance that is provided to the internees. Even though the interns receive a stipend, they do not come with insurance for their equipment. Especially in technical trades, the employers have

\textsuperscript{17} These Trainers have of recently been upskilled under PSG support.

\textsuperscript{18} GIZ Hanga Ahazaza Workshop on “Future of Labour Market in Tourism”, held in Kigali 14\textsuperscript{th} February 2019.

\textsuperscript{19} WDA SDF Presentation. May 2019. Window 3 targets to reach a total of 2550 beneficiaries, as of May 2019 only 625 have been reached.
expressed scepticism and fear of their equipment being damaged by inexperienced interns. Another reason is the poor planning process, where all TVET students are required to do their internships/industrial based attachments at the same time. PSF, which is involved in identification of companies to take up the interns, has expressed both the former and the latter as key obstacles towards increasing private sector uptake of interns.

At University level, students are exposed to the world of work through Industrial Attachments across all programmes. In addition, the national Internship Programme, offers young graduates the possibility to gain practical work experience after completion of their studies. The internship programme was established in 2009 and is coordinated by Rwanda Development Board. It gives practical work experience to graduates for a 6 months period through attaching them to public institutions and private companies. Most of the students that are going through the programme have graduated from public universities (54%), followed by private (40%) and regional universities (3.6 %).  

Feedback loops between private sector and training providers

The Sector Skills Councils (SSCs) were established in 2012 as one of the key recommendations of the sector skills audits led by RDB. The EDPRS II, the guiding strategy pre-NST 1, also recommended to operationalize the SSCs to “provide a forum for feedback and discussion to ensure that employers’ voices are heard throughout the policy-making process for skills and TVET policy”. However, they have not fulfilled their role for various reasons. These include, a limited involvement of private sector in their establishment, lack of incentives for companies to participate in the SSCs, a perception of disempowerment and limited influence of SSCs and insufficient government support. The latter is reflected in a limited budget, which has so far hindered the SSCs to establish a legal framework and governance structure to effectively operationalize their mandate. This includes the inability to engage effectively in skills surveys in the respective sectors hence hindering interventions to bridge the skills gap, such as upskilling of the sector professionals through part-time and e-learning. The strategy aims to revamp the sector skills councils as an important mechanism of a continuous feedback loop between skills demand and skills supply and proposes a number of activities that address the above highlighted challenges.

Private sector involvement in the governance of the TVET system at both high-level and for individual schools and institutions is another way to ensure that the feedback loop is established. Currently WDA, as the regulatory authority of TVET education, has a board, which mostly consists of private sector players. However, RP as a newly established institution does not yet have an established council and senate. At individual school level no boards or councils exists. This could be an interesting option to bring in employers from the nearby environment of the respective TVET and IPRCs.

Another way to ensure market relevance of TVET Training is through joint training centers or joint certification processes. The TVET system overall is dominated by private TVET schools. 219 out of 360 TVET schools are fully privately owned (MINEDUC, 2018). However, there are no PPPs between private companies and public training institutions at the

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time of development of this strategy. This has been identified by various other stakeholders and recommended by strategies such as the Private Sector Development and Youth Employment Strategy (2018), which considers PPPs as a solution to address skills gaps in priority sectors. These PPPs could be established in partnership with a lead Anchor firm identified for each priority value chain and a local IPRC, whereby the anchor firm designs the curricula, sources trainers, oversees training of trainers and IPRC offers facilities and equipment (PSDYE: p.40).

**There has been a successful partnership between the public sector TVET and private sector with regards to recognition of prior learning (RPL).** The RPL allowed for people, who were trained in traditional trades, without having received a certification to obtain a certificate for their skills. The private sector, mainly through STECOMA, has formed part of the assessment committees and played a key role in awarding the certificates, especially in the sectors of construction, and beauty and hairdressing through Beauty Makers Association and automobile mechanics through Association of Garages.

At the level of public universities, the Governance structure consists of six different levels, namely: (i) Department Council, (ii) School Council, (iii) Directorate of Teaching and Learning Enhancement (DTLE), (iv) College Academic Council, (v) UR Headquarters Directorate of Teaching and Learning Enhancement (DTLE), (vi) UR Academic Senate and (vi) UR Board of Governors. The only level, which formally involves the private sector is the Board of Governors, which consists of a total of 19 members out of which 3 are representatives from the private sector. At college level, there is no formal involvement of private sector, although they are regularly consulted in curriculum and programme development.

**Upskilling the workforce in the private and public sector**

**Workforce upskilling in the private sector could benefit from greater accountability and fostering a nascent ecosystem of skills providers.** Currently, the Capacity Building Fund (CBF), within RDB, is in charge of public and private sector skills development. The Sector Chambers are responsible for submitting their training requests. The CBF then prioritizes and funds the most relevant initiatives. Skills providers are evaluated, but not on an annual or regular basis, and their funding is not tied to performance. Going forward, RDB could increase the accountability of skills providers while promoting top performers. Some skills providers are already showing promising results in Rwanda.

**Lack of accountability, investment and monitoring is holding back skills development in the public sector.** Upskilling for civil servants in Rwanda is funded by the Capacity Building Fund (CBF), within RDB. Each fiscal year, public institutions submit their skills development needs to the fund, which in partnership with them, prioritises and selects the upskilling programs to be delivered. Trainings are classified into general and specialised. General trainings are provided by public skills providers (Rwanda Management Institute and Rwanda Institute of Legal Practice and Development (ILPD), while institutions are free to choose their own provider for specialised trainings. Currently, no partnership has been established for specialised courses with private sector providers, limiting economies of scale and spread of best practices. Furthermore, civil servants are often sent abroad for specialised trainings,
instead of training trainers or attracting skills providers into Rwanda. Critically, no database currently captures which civil servants get which type of training, no evaluation is performed to assess the impact of public sector upskilling, and individual performance assessments are not leveraged to tailor upskilling interventions to individual needs.

II.2.2. Private sector employment generation

Market structure

Micro enterprises, consisting of less than 4 employees, represent over 90% of Rwandan enterprises and roughly offer half of all employment opportunities.\(^\text{21}\) These data points reflect a highly disperse business ecosystem. Most micro enterprises operate in low productivity sectors with little entry barriers, such as retail, and experience stagnant growth and low margins. In an environment such as this, businesses experience low survival rates, as suggested by the fact that, according to the Establishment Census 2017, ~70% of firms have been established in the last three years. Thus, greatest potential employment impact from the strategy will be from high-potential SMEs.

The Rwandan economy largely operates in the informal sector. Over 90% of enterprises operate in the informal sector. Meanwhile, informal employment accounts for 90% of total employment.\(^\text{22}\) Informal employment typically offers little job security, can have sub-standard labour conditions and often has little on-the-job training. The strategy’s programs will require business registration at RDB, therefore incentivising the transition of informal business to formality.

Challenges for employment generation

To grow and create employment, firms face three leading challenges: (1) access to markets, (2) access to appropriate finance and (3) access to high-quality business advisory services. Limited access to markets restricts demand, preventing economies of scale and disincentivizing investment. Without appropriate finance, businesses are under capitalised and grow below their potential. Finally, insufficient internal capacities and know-how lead to low and stagnant productivity and competitiveness. The NSDEPS proposes programs to support these three drivers of employment.

Lack of demand, resulting from limited access to markets, is the leading cause for Rwandan enterprises operating under capacity, which occurs in ~25% of businesses.\(^\text{23}\) In focus groups and interviews, business leaders corroborate this constraint. To overcome it, the strategy will facilitate access to markets, both domestic and international, to compensate for relatively low purchasing power in local markets. Frequent barriers to accessing markets include:

- Poor product quality or non-compliance with standards.

In insufficient volume, making it difficult to access economies of scale.

- Lack of technical support when reaching international markets.

Business leaders rank access to finance has the primary challenge for doing business in Rwanda. Furthermore, ~80% of MSMEs report unmet financial needs and have specific demands for their finance providers. Half of MSMEs report a need for working capital to sustain their operations and almost 40% declare they need additional investment. Almost 50% also demand greater efficiency and shorter responding delays from their financial providers. Additionally, they request specific financial products tailored to their needs and a greater focus on cash flows rather than on collaterals.

Inadequate skills and internal capabilities are major concerns for business leaders in Rwanda. In focus groups, young Rwandan entrepreneurs recognised they need to improve their investor readiness, go-to-market strategy and financial planning. To tackle this challenge, Business Development Services (BDS) are promoted through the National Employment Program (NEP), by subsidising Business Development Advisors (BDA). However, these are not fully professionalised, nor registered with RDB, have focused heavily on loan application support, and are working as independent professional business advisory services and are paid under NEP framework depending on the number of businesses supported. At this stage, the support that BDAs provide relates to business plan development for micro and small enterprises. The first cohort of 800+ BDAs received initial training from RDB and every year RDB organises training to replace those, who leave the programme (turnover rate of around 10%).

This training covers mainly business proposal development, taxation matters and available access to finance opportunities. Ensuring that BDAs receive the best training available, is critical to help them to provide the adequate support and post-finance advisory services. This focus on capacity building of BDAs has been highlighted as part of the NEP mid-term evaluation. Therefore, it is in the interest of the NSDEPS to ensure that BDAs receive continuous and high-quality capacity building support to ensure their professionalisation and competitiveness.

Employment considerations in policymaking

The impact of key policies on employment in not systematically analysed nor monitored. Job creation is influenced by numerous factors such as fiscal policy, monetary policy, labour laws, infrastructure, trade agreements or public services provision. Decision-making on these areas is therefore incomplete without understanding their impact of jobs. The strategy will promote more informed decisions across government institutions by providing intelligence on employment effects of major policies.

25 MSME Finance in Rwanda – Status and Opportunities for Financial Institutions (2017), MicroSave
27 SIDA. 2017. NEP Mid-term Evaluation.
28 Ibid.
II.2.3. Matching between skills supply and demand

Career guidance

Career guidance in secondary schools, TVET and Higher Education has a large margin for improvement. About 2% of TVET and Higher Education graduates find their first job through the assistance of their schools.\(^{29}\) In contrast, 32% of TVET graduates and 20% of Higher Education graduates report finding their first job through personal connections.

Greater visibility on labour market trends and general information could improve job-seekers career decisions and the training delivered by skills providers. For instance, approximately 40% of TVET graduates chose to study primarily to improve their career prospects.\(^{30}\) To enable them to achieve this goal, they should be provided labour market information to make the best decisions for their career. Similarly, skills development providers could adjust their training and teaching based on the insights distilled from a solid LMIS.

Currently, only \(~5\%\) of unemployed Rwandans use employment services or online tools to seek employment.\(^{31}\) This implies substantial time and cost for employers to find talent, that might result in reduced growth and fewer jobs as employers struggle to find talent. Meanwhile, job-seekers are unaware of the best opportunities for their profile, thus choosing unfit occupations or remaining unemployed. This shows that employment services in Rwanda need to be strengthened.

Alumni networks and job fairs are still nascent at TVET and Higher Education institutions. Alumni networks, today barely active, enable students to learn about job opportunities, receive informal coaching and mentorship and identify partners for entrepreneurial ventures, among others. In reference countries, like India, job fairs allow students to meet with employers and initiate the recruiting process leading to employment.

Rwanda does not have a coherent framework to engage private sector matching providers, based on performance. Rwanda could foster an ecosystem of matching providers by establishing a clear collaboration framework based on performance, where matching partners are given access to information and are subsidised based on their results.

Internship program

The internship program is not building skills and matching talent to its fullest potential. This is reflected in a relatively low employment rate for recent interns, neighbouring 60%.\(^{32}\) This is explained by five main pain points. First, internships are often not resulting in the envisaged learning effects, with interns performing clerical tasks without upgrading and

\(^{29}\) Idem.


developing their skills. One of the reasons for the latter is the lack of an internship culture in Rwanda, which leads to a limited understanding of both companies and interns in terms of the meaning of a successful internship. There are internship guidelines, which were developed in 2018, and are meant to set out expectations and guiding principles for successful internships. However, it is not clear to what extent they are taken into account by hosting institutions and follow-up is limited. Second, private sector is not sufficiently involved in the program, with the public sector taking the lead. Third, matching between interns and employers could greatly improve, as it often follows a first come basis (a new online tool could be used to support this process). Fourth, monitoring is not performed closely enough as to identify best practices to replicate across internships. Fifth, the internship program team lacks technical support and resource to solve these issues.

Leveraging global opportunities for matching

Greater efforts could be made to attract the Rwandan and African diaspora with critical skills for economic transformation. The diaspora represents a sizeable pool of critical talent for Rwanda. For instance, among the ~78,000 college students registered in the National Skills Database, approximately ~5,400 study abroad, with over 500 students in the US. The Rwanda Development Bank (BRD) is the responsible institution to finance scholarships for students studying abroad. They hold a database of all the students, which provides relevant information to inform the interventions of the NSDEPs. The BRD database includes all necessary details from academic qualifications to personal contacts of students. Every year 500 students are on active students’ loans (abroad), with a total of 750 students who graduated between 2015 and 2018. The data on returnees, is derived from air ticket issuance and for those, who do not return, BRD often loses track on their employment journey.

Although estimating their exact number is a challenging exercise, Rwandan diaspora is well-established in neighboring countries, Western and Central Europe and North America. Data from remittances indirectly shows the importance of the diaspora, as remittances contributed to 2% of Rwanda’s GDP in 2016. Only in the United Kingdom, approximately 5,000 Rwandans sent remittances home, for a total amount of RWF 9.7 billion. However, Rwanda still needs to attract high end skills of Rwandans abroad to bridge the skills gap in priority sectors, while in parallel supporting talents exports to address the unemployment challenges and increase exposure to international best practices. In order to attract the diaspora, there are three main opportunities to exploit. First, there is no database aggregating the profiles of diaspora workers willing to come back home. Second, Rwandans or other global talent willing to come to work in Rwanda are rarely supported in finding job opportunities, which is usually harder when living abroad. Third, no specific incentive scheme encourages diaspora workers with critical skills to return home.

Foreign job and study opportunities could be exploited for Rwandans to acquire skills overseas, which can then be applied at home. For instance, bilateral agreements with

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countries experiencing labour shortages can enable Rwandans to build their skills abroad, and then return to apply them back home. Furthermore, the government could incentivise Rwandans to study or receive training abroad, granting financial support in exchange of returning to work in Rwanda for a period of time.

II.3. Overview of lessons learnt of the National Employment Program (NEP)

The National Employment Program (NEP) was established in 2014, with the vision to (i) equip the workforce with employability skills, (ii) creating jobs that are adequately remunerative and sustainable with special focus on youth, women and PWD and (iii) provide a national framework for coordinating the planning and the implementation of employment interventions. To achieve its objectives and goals, the NEP is organised into four pillars:

- Pillar 1: Employability Skills development
- Pillar 2: Entrepreneurship and business development
- Pillar 3: Labour Market Interventions
- Pillar 4: Coordination and M&E

This section provides a high-level overview of achievements and lessons learnt from the NEP. The majority of skills development and employment promotion programs in the NEP fall under pillar 1 and 2, and thus the assessment focuses on those two pillars. Lessons learnt and implications for Pillars 3 and 4 are also included.

Overall, NEP programs have trained youth and women for employment and supported micro enterprises to navigate barriers such as access to finance. Since the NEP was launched, over 23,500 youth and women have been trained across various skilling programs that have offered different types of short-term and industry-based training. Furthermore, over 60,000 micro enterprises have been supported to access business advisory services and 10,000 MSMEs projects supported to access finance mainly through guarantee collateral support and start-up toolkit loan facility.36 These programs, detailed below, are succeeding in supporting graduates to attain employment, with average employability rates of 80-90%.37

Partnerships have played an important role for NEP resource mobilisation and implementation. In collaboration with the Ministry of Finance and Economic Planning, NEP Implementing Institutions allocate the available budget to the priority activities through a joint planning and budget consultation. The NEP has served as an effective coordination mechanism for resource mobilization since it has supported the alignment of Development Partners programmes with NEP interventions. NEP Design and Governance Structure has attracted Development Partners, who have supported various interventions over the past years. These include Sweden/SIDA, the One UN Joint Youth Employment Flagship, World

36 NEP Annual Narrative Implementation Progress Reports
37 Ibid.
Bank/PSG Project and MasterCard Foundation. Annex V provides a detailed overview of the different partnerships established under NEP period and illustrates the key lessons learnt.

II.3.1. NEP Pillar 1: Employability Skills Development

Under Pillar 1 of NEP over 23,500 youth and women have been trained in various professions, with a focus on employment creation through short-term training from the starting of NEP in 2014 onwards. The main training programmes under pillar 1 of NEP included: (1) Short-term Massive Vocational Training, (2) Rapid Response Training, (3) Industrial Based Training, (4) Internship, (5) Recognition of Prior Learning, (6) Reconversion Program. The section below provides an overview of the key programmes under NEP with the respective lessons learnt.

Rapid Response Training (RRT) has been effective in upskilling the workforce, particularly women, with 93% of trainees finding employment. The RRT program targets private and public sector projects that need additional skills and knowledge to enhance the performance of their employees. On average, trainings take up to 6 months, and are dependent on WDA’s agreement with the training entity on specific trainings. Between 2014 and 2019, 5,500 beneficiaries were trained, 44% of them being women. As assessed by the last Tracer Survey of NEP beneficiaries, 93% of RRT trainees were absorbed into the labour market. However, in the same period, the budget expenditure of the program decreased from RWF 400 million in 2014/2015, to RWF 300 million in 2017/18. In terms of evaluation, the M&E of this program did not track the quality of jobs and working conditions that trainees accessed after completion (e.g. formal, informal, temporary, permanent).

Lesson learnt:

- Rapid Response Training will need to be more investor focused to attract larger enterprises and scale the training, this can be through targeted efforts from the RDB Chief Investment Officer spearheading the process and setting clear guidelines and procedures for the program. These guidelines will also capture and specify minimum working conditions and pay-thresholds, that companies need to comply with in order to benefit from the scheme.

Massive Vocational Training (MVT) has been successful in providing market-relevant skills for youth and women, with an 85% employment rate for trainees. The MVT program provides short-term training of no more than three months, for the youth and women. WDA, in collaboration with the various districts, has selected the types of trades and courses for MVT.

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38 SIDA, NEP evaluation, 2017
39 NEP final report, Rwanda Polytechnic, 2018
40 NEP Annual Narrative Implementation Progress Reports.
42 NEP Annual Narrative Implementation Progress Reports
Between 2014 and 2018, there have been 17,000 beneficiaries of MVT training, 40% of them being female\(^{43}\). The program has registered high employability rates of 85\%, due to the hands-on training on sessions that equip trainees with market relevant skills\(^{44}\). Nonetheless, and similar to the RRT, there is no analysis of whether beneficiaries took on formal or informal, temporary or permanent jobs after the program. Also, since the program’s inception, the budget has drastically fell, by almost 50\%, from RWF 873 million in 2014/2015 to RWF 449 million in 2017/18\(^{45}\).

**Lesson learnt:**

- The training period of MVT was 3 months and feedback received from field visit assessments points out that this period was too short to impart hands on skills required. In addition, trainings were taking place in existing TVET schools in parallel to regular trainings, which was requiring trainers to balance time between two streams and getting top up salary for extra hours. The main lesson learnt from the MVT under NEP, is that the training period was too short, and the training was conflicting with the regular vocational training. Going forward, it will be more impactful to embed MVT under NEP in the regular TVET training period as part and parcel of the curriculum. To facilitate and mainstream MVT implementation in the future, the existing TVET training institutions, that are implementing programmes with similar trades as MVT for a period of 6 months to 1 year, will continue with strong focus on practical training. For those trades under NEP MVT, where TVET training institutions do not yet offer training programmes, support will be provided to incorporate those trades under their programmes and acquire related training consumables in partnership with districts.

- In addition, MVT, which is also implemented under Window 2 of SDF has of recent been reviewed and it was proposed to extend the duration period from 3 to 6 months.\(^{46}\) However, as the review process of SDF POM is on-going, it is proposed to leverage MVT under SDF, to support existing TVET Training Institutions in the process of embedding MVT training approach under their programmes.

**The National Internship Program (NIT) has achieved less than a 60% employment rate, suggesting the need for restructuring.** The NIT program was adopted with the aim to equip students with a practical skillset to smoothen their transition from school to the labour market. Since its launch, 7,500 graduates have transitioned through the program, 58.3\% of them being employed, while the remaining 41.3\% still jobless. Of the interns that were employed, more than 80\% reported having been employed in a period not exceeding one year.

**Lesson learnt:**

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\(^{43}\) Ibid

\(^{44}\) WDA National Tracer Survey and Employer Satisfaction Survey for TVET Graduates. 2016. Page 93.

\(^{45}\) NEP Annual Narrative Implementation Progress Reports

Some of the challenges of the program include limited private sector linkages to diversify placement opportunities and to scale the program. Furthermore, interns are not able to get the best experience on the job, as most of the tasks given are "clerical" and employers invest little time in their development.

One of the implementation channels of pillar 1, has been the Skills Development Fund (SDF), which was established as part of World Bank Priority Skills for Growth Programme (PSG) to rapidly close skills gaps with the objective of “increasing the supply of skills in high demand in the labour market". To achieve this goal, the SDF provides sub-grants to eligible applicants on a competitive basis to develop scarce skills among the Rwandan workers. The fund has three main windows to apply for funding: Window 1 "Rapid response training", Window 2 “Out of school youth, Recognition of Prior Learning, Informal Sector Training”, “Window 3 " apprenticeship and internships". The primary program for Window 1 is the Rapid Response Training program; “MVT” for Window 2 and Window 3 includes the Industry Based Training and Internship programs. As of May 2019, a total of 4,866 benefitted from SDF interventions. The figure 4 below shows a break-down of SDF beneficiaries vs. targeted number by window:

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47 CESB, Internship program evaluation
48 World Bank, Rwanda Priority Skills for Growth (PSG) Program-For-Results, 2017.

50 MVT also known as “Training for Out of School Youth” is also part of Window 2 of the SDF and the maximum training duration is set at 6 months.

52 Source: WDA 2019 Update on SDF Call 2. PPT presentation.
II.3.2 NEP Pillar 2: Entrepreneurship and Business Development

The Pillar 2 of NEP aims to support MSMEs and entrepreneurs through various programs aimed at job creation. The Proximity Business Development Advisors (BDA) support micro and small enterprises projects to become bankable and apply to loans and grants mainly in SACCOs, benefiting ~60,000 projects. BDAs funding is not fully tied to outcomes, as they systematically receive 50% of the voucher value once the project is received by a micro finance and the remaining 50% once the loan requested is approved. The owner of the project contributes 30% and 70% of voucher value comes from NEP funding. The monetary value of a voucher is 10,000 RWF and the number of vouchers depend of the value of the project with the ceiling now being limited to 3 vouchers. Despite the number of Micro and Small projects supported, the field evaluation done by NEP coordination highlighted that the business projects funded are micro survival projects that have limited chance to grow and with a high attrition rate and high non-performance rate. In addition, the projects supported have the requirement to expand and create jobs, to that end the latest field assessment report points out that 36% of small projects were only able to create one job\(^5\). On this basis, the heads of implementing institutions of NEP resolved that going forward, efforts should focus on start-ups, with already existing products on the market with potential to expand and to create and sustain jobs. This implies a shift in focus from ideational and survival start-ups towards SMEs with growth potential.

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The Loan Guarantee Fund, under BDF, supports young entrepreneurs with little to no collateral to access finance and business development support, helping ~5,400 businesses. Stakeholders agree that greater aftercare once a loan is provided could improve the program’s performance. Finally, the Start-up toolkit loan facility, also under BDF, targets a key need for micro enterprises for equipment financing, supporting 4,700 entrepreneurs. However, despite the number of Micro and Small projects supported in accessing start-up toolkits and vulnerable groups supported to access seed capital, field evaluations highlighted that the business projects supported are mainly micro survival projects with limited chance to expand and with a high attrition rate. Building on those lessons learnt, NEP governance organs have resolved to scale up interventions with growth and job creation potential. Thus, some micro interventions, for example start up toolkits have been proposed to be transformed into micro leasing for projects with already existing products on the market that have binding constraint associated with lack of modern production equipment.

**Lessons Learnt:**

- BDF will need to be more entrepreneur focused, providing after-care services to monitor and track performances of the businesses that they support.
- Greater accountability, M&E efforts, and focus on job creation could significantly increase the impact of Pillar 2. Particularly, BDF would benefit from a greater emphasis on financial metrics and job creation for decision-making.
- For expansion and job creation purposes the focus of Pillar 2 should be set on start-up businesses with products already on the market with potential to expand, rather than survival micro start-ups.

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II.3.3 NEP Pillar 3: Labour Market Interventions

Pillar Three of the NEP aims at mainstreaming employment information and opportunities across sectors. One of the interventions was the development of a comprehensive Labour Market Information System to be linked with Employment Services at decentralised level. However, there are some major constraints that are holding back the potential of the existing LMIS. Including:

- No regular updating of the information and no provision of live, up-to-date data for matching.
- Scattered data, which is not integrated into a user-friendly and harmonised system
- Some critical types of data are missing from the system (e.g. experience from job seekers).
- Limited analytical capacity to interpret data and derive policy implications
- Limited technical capacity and resources to address technical requirements

**Lessons Learnt:**

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54 Idem.
Engaging key stakeholders in labour market data production and consolidation is critical for labour market analysis.

Existing IT tools need to be upgraded and existing databases need to be integrated to create a user-friendly and harmonised system.

II.3.4 NEP Pillar 4: Coordination and M&E

Although the information available provides some insightful lessons from NEP, there is an opportunity to improve M&E going forward. Under pillar 1, Skills Development programs could move beyond tracking employment, and including salary and occupation type of the beneficiaries. Under pillar 2, initiatives for Entrepreneurship and Business Development could be monitored with a greater focus on outcomes (e.g. job creation), rather than output (e.g. number of firms supported). In general, M&E would benefit from transversal improvements, including further technical support, more standardisation in data collection and coordination among reporting institutions. More detail on the learning from NEP on coordination and governance is included in section IV.1, “Governance Best Practices and Lessons Learnt”.

Lesson Learnt

- Data collection and monitoring and evaluating are essential to build into the system, to allow for swift course correction and rapid feedback. An output-focused M&E framework that establishes standardised tracking and recording, and the types of employment outcomes achieved across the programs, will facilitate implementing agencies to accurately evaluate the impact of the programs and to make informed decisions.

- Budget allocation needs to be sustained over time and linked to effectiveness of initiatives. The budget expenditure on NEP has varied irregularly from 2014 until 2018. For instance, the budget for Massive Vocational Training (MVT) fell by nearly 50% in that period, despite being one of the most cost-effective programs in NEP in terms of employment generation. The main reason of the reduction of the training budget of Pillar 1 was due to a new direction of MINECOFIN to first prioritise the funding of construction of training schools that had started and were still unfinished.

II.4. Skills for Rwanda's long-term economic transformation

This section analyses the long-term evolution of demand for sectorial and transversal skills and distills strategic implications for the NSDEPS. First, it provides a high-level forecast of net employment creation per sub-sector to identify key sectorial skills. Second, it highlights some critical transversal skills accelerating growth across sub-sectors. Finally, the section summarizes the main strategic implications for the strategy.

With regards to demand for sectorial skills in priority projects, the NSDEPS is informed by the NST 1 priorities and their related strategic interventions and flagship projects, many out of which have skills development implications. The strategy has ensured, to propose programmes and strategic interventions that effectively contribute and support the implementation of these flagship projects. In the development of the NSDEPS implementation
guidelines for the programmes proposed under this strategy, the skills implications for NST1 projects will be assessed in detail. This includes undertaking new and reviewing existing sector skills audits for NST1 priority sectors related to flagship projects.

**These flagship projects include (among others):**

- Establish garment and electronics factories
- Develop Kigali Innovation City (KIC)
- Develop Centers of Excellence
- Undertake Investor targeting to attract the right anchor firms with market linkages for each priority economic value chain
- Develop Hospitality Industry and High-end Tourism (incl. MICE)
- Develop Vibrant aviation sector & Center of excellence in aviation
- Develop Financial services center & specialized skills
- Increase the number and capacity of human resources for health sector professionals
- Promote industries in pharmaceuticals

Annex VI provides a detailed overview of the key flagship projects for each NST1 priority areas and maps them against NSDEPs proposed programmes. This will be the starting point for the implementation of programmes under NSDEPs targeted at specialized skills development (such as 1.3. Capacity Development Programme and 3.3 Global Opportunities Programme (incl. provision of relevant scholarships in priority areas). It will also inform the sector focus for new sector skills audits to be developed.

**II.4.1 Evolution of demand for sectorial skills**

To predict the demand for sectorial skills, the NSDEPS incorporates a high-level forecast of net employment creation per sub-sector.\(^5\) The analysis covers three development periods: (1) 2017-2024 [short run], (2) 2025-2035 [medium run] and (3) 2036-2050 [long run]. It is worth noting that long-term projections are highly uncertain and should be treated as indicative, rather than deterministic. Also, forecasts are only as strong as the hypotheses informing the modelling decisions. For the projection of net employment creation per sub-sector in Rwanda up to 2050, the main assumptions are summarized below:

- GDP growth rates per sector up to 2024 are taken from the National Strategy for Transformation, which describes annual growth of 14% for Industry, 10% for Services and 6% for Agriculture
- In line with Vision 2050, Rwanda is modelled to reach middle-income status by 2035 (>4,000 USD GDP/capita) and high-income status by 2050 (>12,000 USD GDP/capita). This condition imposes particularly high growth for the 2025-2035 period (~12% CAGR vs. ~10% CAGR from 2036 to 2050)
- To project total employment, the analysis combines UN Population projections for Rwanda’s future working-age population (median scenario) and ILO benchmark for employment rates in middle-income and high-income countries

\(^5\) Net employment creation refers to the change in the total number of workers employed in the sub-sector. For instance, if the same the number of jobs are created and destroyed in a sub-sector within a given period, the net employment creation would be zero.
• Labour productivity is modelled to meet the two previous constraints
• In terms of sub-sector growth, ICT and Tourism and Hospitality lead growth in Services, following past trends, while Manufacturing is the leading sub-sector in Industry for the period 2017-2024. These sectors keep growing intensely in the medium run (2025-2035) and moderate slightly their expansion rate in the long run (2036-2050)

Under these hypotheses, the analysis suggests Tourism & Hospitality, Manufacturing, ICT, Agriculture and Financial Services will be the leading creators of net employment. Sectorial skills gaps are likely to be particularly relevant in these sub-sectors.

Figure 5: Projection of net employment creation in Rwanda up to 2050 by sub-sector

The sub-sectors can be clustered in three broad clusters in terms of employment creation: (a) rising, (b) declining and (c) stable. The rising sub-sectors led by ICT and followed by Financial Services and Professional Services, among others, share three characteristics: they are high-skilled, currently relatively small and very fast-growing. Declining sub-sectors, in terms of net employment, such as Mining, Transport and Construction are currently labour-intensive and low-skilled. Finally, Tourism and Hospitality, a mid-skilled and priority sub-sector in NST, is expected to maintain a healthy rhythm of employment creation.

Despite creating net employment, Agriculture is estimated to substantially reduce its share of employment, from ~37% in 2017 to less than 20% in 2050. This is consistent with similar experiences of rapidly developing countries (e.g. South Korea, Mauritius). Industry will maintain its share of employment around ~20%, while Services will capture most of Agriculture’s relative decline, growing from ~43% of employment in 2017 to roughly ~60% by 2050.
II.4.2 Evolution of demand for transversal skills

The future of work in Rwanda will require a substantial improvement across four transversal skills: ICT, leadership, languages and soft skills. These transversal or “catalytic skills” are needed by workers on any level and in any profession or occupation to allow them to function in a more complicated and continuously changing work environment. The rising demand for these skills responds to global trends and Rwanda’s specific development pathway. Developing them will increase labour productivity across sub-sectors and accelerate economic transformation.

Digital skills will be critical in Rwanda beyond the ICT sub-sector, enabling roughly 3 million jobs in 2030, up from 1 million in 2016. ICT skills can be divided into four broad categories, in an ascending order of complexity: (a) digital literacy, (b) content processing, (c) hardware management and (d) content creation and management. First, digital literacy refers to the ability to understand and interact with basic ICT technology. It currently enables 400 thousand jobs in Rwanda and is expected to support over 1 million by 2030. Second, content processing involves the use of technology to communicate and analyse information. It is currently required in ~350 thousand jobs and will be needed in over 1 million by 2030. Third, hardware management implies direct involvement with technological equipment, is needed in roughly 300,000 jobs and will be demanded in over 700,000 jobs in 2030. Finally, content creation, including software development and application management, currently involves ~15,000 jobs but is expected to more than quadruple by 2030.

As the economy grows, the need for skilled managers will surge, creating a need for leadership skills development. While nearly 80% of Rwandans work in elementary occupations, services and sales or craft and trade, only 1% currently work as managers. In a high-income country such as the US, the share of managers is six times larger (6%). It follows that, to enable more complex and larger business, Rwanda will need to develop new business leaders and upskill current managers.

To become an open and export-driven economy, thriving in Tourism & Hospitality and ICT, Rwanda must equip its workforce with business languages (English and French). Rwanda aspires to be a vibrant open economy, with exports representing a substantial share of GDP. Given Rwanda’s scarcity of natural resources, this goal could only be achieved by expanding high-value sub-sectors, requiring interaction with foreign stakeholders and professionals. Thus, business languages are key for Rwanda to internationalise its businesses. Additionally, two of Rwanda’s priority sub-sectors for skills development; ICT and Tourism & Hospitality, are highly dependent on business languages to thrive.

Finally, soft skills will be increasingly demanded as complements to technical skills. Economic research suggests that, with the rise of automation, soft skills are likely to become

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57 Mastercard Foundation Rwanda Initiative, Building ICT Skills for Rwanda’s Future Economy: Research Findings
58 Labour Force Survey 2018, NISR.
more relevant, as they will be hard to automate and will help better leverage technology. Soft skills that may become increasingly relevant include decision-making, people management, service orientation and emotional intelligence.

**Multiple programmes are already underway to build transversal skills in the economy.** A key part of this is Rwanda's educational reform to a competence-based curriculum in TVET and of recent in Public Higher Learning Institutions. The competencies proposed (critical and problem-solving skills; creativity and innovation; research; communication in official languages; cooperation, inter personal management and life skills; and lifelong learning) closely align with the transversal skills needs laid out in this chapter. Furthermore, there are specific programmes that are already addressing part of this gap, that the NSDEPS will complement. These include the USAID-funded *Akazi Kanoze* program that is being implemented by the Education Development Center (EDC) and has focused on developing transversal skills among the youth in Rwanda. The program works in collaboration with multiple international and local partners, offering a work readiness and soft skills training program for Rwandan youth aged 14-24. Due to its success, the curriculum of the programme was integrated into the national TVET training system. In addition, the Mastercard Foundation's Hanga Ahazaza programme, which is a five-year initiative, addresses transversal skills in the tourism and hospitality sector with a target of reaching out 30,000 young men and women. For ICT, one programme of note building digital skills is the Digital Ambassadors programme (DAP), launched in 2017 by the World Economic Forum and MINICT. DAP currently operates in 12 districts of Rwanda and has trained 27,000 individuals in digital literacy. In parallel, MINICT launched the Digital Talent Policy in 2016, which seeks to build digital skills capabilities through proactively assessing the digital skills gaps, strengthening the ICT curriculum, and supporting greater recognition of digital skills. Alongside these efforts, Rwanda has also welcomed the introduction of a range of new private sector skills programs, for example Akilah Institute and Kepler, which are already experiencing high job placement rates and the recent entrance of Andela promises to develop and employ more technical talent.

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59 World Economic Forum, *10 skills you’ll need to survive the rise of automation*, 2018.
III. The National Skills Development and Employment Promotion Strategy

III.1. Introduction

The NSDEPS is built on three strategic pillars: (1) Skills development, (2) Employment promotion and (3) Matching. For each pillar, the NSDEPS defines actionable programs based on the needs identified in the Situational Analysis and anchored on a comprehensive strategic framework. Each program describes a set of strategic interventions, grouping concrete activities for Rwandan institutions to implement.

*Figure 6: Strategic Pillars of the NSDEPS*

Each pillar is informed by a wide range of existing national strategies and policies, summarized in the framework below. The NSDEPS acknowledges these documents, captures relevant information and aims to avoid duplication by proposing a coordination framework for common efforts.
**Pillar 1 will enhance Rwandan productive capacity.** It will focus on building market-relevant skills through both formal TVET and targeted business-focused training. To do so, it will increase private sector engagement, upscale innovative solutions and promote a performance-based management approach to training, optimizing learning and employability enhancement. Under Pillar 1, the strategy incorporates the following three programs:

1.1. *National Training and Education Excellence Program:* Institutions are incentivized to deliver quality education and Excellence awards for TVET and Higher Education are granted to the most effective programs.

1.2. *Market-led Education Initiative:* Private sector relevance and labour market preparedness are put at the forefront of formal education.

1.3. *Capacity Development Programme:* (a) Investors (both foreign and domestic) are offered targeted training support, tailored to their needs, alongside their investment and (b) public servants receive on-demand training financed by the fund.

**Pillar 2 will support business growth and entrepreneurship to accelerate job creation.** To do so, it will focus on facilitating access to markets, both domestic and international; ensuring the availability of appropriate financial products; and developing business capacity, specially supporting nascent firms with high-growth potential but limited know-how. Under Pillar 2, the strategy focuses on the following four programs:

2.1. *Access to Markets Program:* Businesses are supported to access domestic and international markets.

2.2. *Access to Adequate Capital Program:* Firms can access appropriate finance, in line with their business potential, to grow and create employment.

2.3. *High-Quality Business Advisory Services Program:* Capabilities are built within private sector firms, increasing productivity and unlocking their growth potential.

2.4. *Labour Market Analysis Program:* Government of Rwanda institutions are informed, by a specialist research unit, about the impact of existing and proposed policies on employment.
Pillar 3 will prioritize an active and evidence-based workforce planning and matching between skills supply and demand, informing skills development strategies. It will push for a data-driven approach to matching, promote active linkages, align matching incentives, nurture a global talent network and ease access to international employment opportunities. Under Pillar 3, the strategy proposes the following four programs:

3.1. *Evidence-based Workforce Planning and Analysis*: Labour market insights and policy making is driven through a comprehensive, aggregated understanding of the skills being produced and the demand in the market, leveraging a public sector database.

3.2. *Strengthening Employment Services and Career Guidance*: Career services are revamped, while private and social matching providers are subsidized based on performance.

3.3. *Graduate Labour Market Transition Program*: Youth gain relevant skills and experience while firms and institutions can test their talent.

3.4. *Global Talent and Opportunities Program*: The best of foreign and diaspora talent is proactively sought to support national growth; and global study and work opportunities are promoted for Rwandans to develop capabilities to then bring back to Rwanda.

To ensure accountability and impact-driven M&E, the NSDEPS defines the leading institution and key stakeholders for each strategic activity, as well as the main outcome indicators to track. This information is captured in the *Annex II: Pillars and interventions of NSDEPS*.

### III.2 NSDEPS as a follow-on to the NEP

The *NSDEPS* proposes a set of programs to upskill the Rwandan workforce and promote quality employment. These programs are building on best practices and lessons learnt from NEP. As described in section II.3, the NEP has made progress towards facilitating and supporting job creation with special focus for youth and women. In summary, NEP has imparted employability skills to more than 23,500 youth and women, supported 60,000 micro enterprises to navigate barriers through business advisory services, and supported 10,000 MSMEs projects to access finance mainly through guarantee collateral support and start-up toolkit loan facility. The Program has also proven to be an effective tool to strengthen partnership in skills development with companies and SMEs and has supported them to address skills shortages especially under Rapid Respond Training intervention.

However, NEP has also faced challenges: With regards to business development, NEP has supported business projects, which were mainly micro survival with a limited chance to expand and with a high attrition rate. Building on those lessons learnt, the NEP governance organs have resolved to scale up interventions with growth and job creation potential. With regards

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61 NEP Annual Narrative Progress Reports.
to skills development, NEP has initiated various critical initiatives to build market relevant skills. However, some of them have been reactive in nature and provided for a short period.

Overall, the NSDEPS will take a more holistic and integrated approach to skills development and employment promotion. It also clearly brings out the element of the feedback loop between the two, through introducing a dedicated pillar on “Matching”. In this, it will build on previous programmes of NEP, as well as introduce additional programs building on the lessons learnt (as outlined in section II.3) and stakeholder consultations.

Figure 8 below maps the proposed programs and interventions of the NSDEPS against the programs of NEP and highlights, which programs are taken forward under NSDEPS. All relevant stakeholders including public institutions, private sector agents and non-profit organizations were involved in drafting the strategy and shall jointly lead its implementation.

Figure 8: NSDEPS to NEP mapping

- **Rapid Response Training**, **Massive Vocational Training**, and **Industry-based training** will be expanded and refined, now coming under the Capacity Development Programme. RRT will now be tied more closely to investment promotion under RDB; be open for applications and will be jointly implemented by RP and RDB. In addition, clear guidelines and procedures for the program will be set, which will also capture and specify minimum working conditions and pay-thresholds, that companies need to comply with in order to benefit from the scheme.

- **Community Processing Centres** now come under the Access to Markets Program in Pillar 2, which focuses efforts on technical support for SMEs to reach regional and domestic markets (medium firms); and to integrate SMEs into larger value chains (through cooperatives and government / large business supply chains). CPCs are not
prioritised in the strategy, as government involvement in CPCs has not been effective, and privatisation for CPCs is currently on-going.

- **Business Development Fund**: Lending support will continue, and the support to guarantee is going to be tied to job creation with stronger M&E to assess the employment impact on employment.

- **Business Development Advisory**: The NSDEPS will focus on post-ideational stage start-ups, bringing on board private business development advisory institutions. A concerted effort will be made to elevate the quality of the advisory support, in a number of ways: 1) engaging leading non-government training institutions; 2) ensuring providers are registered at RDB, in an effort to link to impact, and raise quality; 3) link business development support to businesses that have received approval for a financial product

- **National Internship Program**: The Graduate labour market transition program will address the challenges of the on-going Professional Internship program by increasing private sector outreach, professionalisation of the management of the program as well as upgrading of IT tools used.

### III.3. SDF and CBF as a basis for capacity development under NSDEPS

Currently there are different funding mechanisms to capacity development both for public and private sector capacity development. Under WDA the Skills Development Fund (SDF) has supported the operationalisation of Pillar 1 of NEP especially with regards to RRT, MVT, IB and Apprenticeships under window 1, 2 and 3 respectively. Under RDB, the Capacity Building Fund (CBF) supports continuous capacity building in both public and private sector through specialised trainings, with a special emphasis on public sector trainings.

The figures below illustrate the current structure of these funding facilities.

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62 The SDF has been supported under World Bank Priority Skills for Growth (PSG) programme.
III.4. Goal and vision of the Strategy

III.4.1. Goal

The NSDEPS aims to provide the workforce with market-relevant skills and access to quality employment. The question this strategy addresses is: “How can Rwanda most effectively create a skills base that can eventually support a middle-income economy?”. It is important to state that no country yet has a full and complete understanding of what is most effective for skills development and employment promotion. Learning from experience and testing, through experimentation and policy refinement, is essential, so that effective interventions can be amplified as lessons become evident.

III.4.2. Vision

The vision is for the country of Rwanda to have a competitive, skilled workforce suitable for a middle-income economy, where skills meet private sector needs and the workforce has dignified and fulfilling work. Although it focuses on short-term responses, it also considers long-term interventions. Five guiding principles ensure the vision’s consistency across the pillars: (1) demand-driven intervention, (2) private sector engagement, (3) impact-driven M&E focusing on employment outcomes, (4) performance-based management and (5) flexibility to ‘test and learn’.

All interventions in the NSDEPS are demand-driven, in that they seek to attend business needs to accelerate job creation. The NSDEPS prioritizes proactive engagement of private sector beyond consultation, establishing strong feedback mechanisms and promoting private initiatives. Impact-driven M&E, focused on employment outcomes, enables recursive learnings, and informed decision-making. Performance-based management ties interventions’ results to management decisions, including budget allocation and financial incentives. Given the knowledge gaps regarding the impact of skills development and job promotion interventions, the NSDEPS advocates for experimentation and flexibility in policy-making, refining as lessons become clear.
III.5. NSDEPS Programs

Pillar 1: Skills development

Strategic framework

Pillar 1 of the NSDEPS, on skills development, will enhance Rwandan productive capacity throughout their lives. The framework below summarises the main steps in skills development and highlights the focus of the strategy.

Figure 11: Strategic Framework for Pillar 1 on Skills Development

The NSDEPS focuses on developing priority skills for economic transformation for post-secondary workers. It thus aims to improve the quality of TVET and Higher Education graduates by involving the private sector; and to upskill the workforce for employment and increased productivity, both in the private and public sectors. In addition, it will pay specific attention to the development and upgrading of transversal skills through on-the-job training and upskilling interventions.

The NSDEPS does not prioritize early childhood development or skills development in primary and secondary education. These are fundamental areas for Rwanda’s development, but are addressed by other national strategies. Below, are summarised some important interventions outside the scope of the NSDEPS:

- **Early childhood development**: The Early Childhood Development Strategic Plan aims at strengthening early childhood development through three main interventions. The first is to provide parenting education on how best to support children. The second supports school readiness transition programs. Lastly, the strategy promotes child protection and family support programs, providing a safe and protective environment for children.63

- **Efforts to reduce stunting**: The Third Rwanda Health Sector Strategic Plan seeks to strengthen early identification and management of nutrition. The strategy looks to reduce stunting leveraging three initiatives. The first is to provide rehabilitation commodities to families in rural communities. The second intervention is to monitor

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63 MIGEPORF, National Early Childhood Development Policy Strategic Plan, 2016
growth at the village level to provide care to those in need. Finally, the strategy seeks to increase home-based food fortification.\textsuperscript{64}

- **Primary and secondary education**: The Education Sector Strategic plan sets out strategic interventions for primary and secondary education. These include improving the quality and access to education across all levels, improving school readiness and pre-primary education provision and improving the relevance of education.\textsuperscript{65}
- **Targeted upskilling for school drop-outs**: This remains a significant issue in Rwanda, depleting the overall talent pool. A specific strategy should be considered to address this issue, in concert with the Education Sector Strategic Plan (ESSP). The ESSP already contains specific interventions that support improvements in the issue of drop-outs.
- **Building transversal skills at all levels of education**: The development of transversal skills starts from early-age, the Education sector, through its Education Sector Strategy and the related implementing institutions, will gradually integrate transversal skills building in all curricula from primary to higher education level to equip the future workforce with the necessary cognitive and communication skills.

**Programs for Pillar 1: Skills development**

**Pillar 1 will enhance Rwandan productive capacity throughout their lives.** It will focus on building market-relevant skills through both formal and informal training. To do so, it will increase private sector engagement, upscale innovative solutions and promote performance-based management approach to training, optimizing learning and employability enhancement.

1.1. **National Training and Education Excellence Program**

**Objective**

To leverage a performance-based management framework to channel resources and expand high performing TVET courses and institutions, spreading best practices across the training and educational system.

**Motivation**

**Lacking incentives and information on performance are holding back TVET and Higher Education’s potential for employment.** As shown in the *Situational Analysis*, only \~20\% of recent TVET graduates and \~50\% of recent Higher Education graduates are in permanent work or self-employment. And a significant proportion of TVET graduates expressed dissatisfaction with the quality of TVET programmes they studied (HRD Strategy 2018, p.62). However, the data does not currently allow to identify the relative performance in terms of employability of individual institutions and faculties, thus not enabling to identify best practices and critical issues. Prospect students are also unaware of the employment outcomes they might get after a given training or course. Additionally, resource allocation is independent of performance, thus not creating incentives to increase employability among students. The *National Training*

\textsuperscript{64} MOH, Rwanda Health Plan, 2012

\textsuperscript{65} MINEDUC, Education Sector Strategic Plan, 2013
and Educational Excellence Program seeks to revert this situation, by launching a performance-based management pilot, promoting accountability for results and focusing on training for employment.

**BEST PRACTICES INFORMING PROGRAM 1.1.**

Performance-based management

Performance-based management is a rising trend in training and education, focusing on learning and employment outcomes. For instance, Scotland established the Scottish Funding Council as the strategic body for the funding of teaching, training, research, and other activities. The council funds colleges and training institutions based on a system of outcome agreements, including employment outcomes. Similarly, in Finland, the responsibility of education and training funding is divided between state and local authorities and is based on performance criteria such as degrees complete and employment outcomes. Rwanda would benefit from replicating this best practice, linking employment outcomes to funding, to ensure the best programs in terms of employment enhancement are identified and expanded (see “Excellence Award”). Similarly, in Finland, the responsibility of education and training funding is divided between state and local authorities and is based on performance criteria such as degree completion and employment outcomes. Practically, each Finnish university and the Ministry of Education and Culture conduct performance negotiations at the beginning of the agreement term. These negotiations include the setting of operational and qualitative targets for universities and determines the resources required based on the number of students and expected and actual number of degrees annually. This ensures skills development institutions own their targets. In the African context, the South African Further Education and Training System (FET) includes elements of output-financing. Under this model, institutions not reaching a minimum performance target are penalised. Finally, some countries, such as Spain, are designing plans to link budget allocation to performance in TVET. Beyond best practices, academia is also pointing towards performance-based as a quality enhancer, as highlighted in Harvard economist Lant Pritchett’s research in *The Rebirth of Education*.


Strategic interventions & activities:

1.1.1. Launch a pilot on performance-based management for TVET and Higher Education

The pilot on performance-based recognition will include an Excellence Award for leading TVETs and Higher Education institutions in terms of employability outcomes.
The NSDEPS aims to initiate performance tracking at institutional level and per education field, which is currently lacking in Tracer surveys. It will implement a pilot involving 10 TVET and Higher Learning institutions to identify both strong performers and best practices, and low performers and critical issues by tracing graduates after completion of their studies/training. This will ultimately allow for scalable best practices to be identified, and for targeted interventions to be devised to address the biggest recurring issues. Performance-based management will focus on employment outcomes and graduates overall satisfaction. The pilot will target both public and private institutions. With regards to the former, even though RP and UR are new institutional bodies, their colleges and IPRCs have been operating in Rwanda since decades. The data will be collected at college-level with education field stratification, and capacity constraints will be addressed throughout the delivery channels, including support by NISR and RDB on the data collection and analysis to ensure smooth implementation of the pilot. In this regard the programme will leverage on proposed capacity building interventions under the “Capacity Development Programme” with its public sector window (CBF). CBF will provide seed funding to support capacity building interventions for the implementing institutions of the National Training and Education Excellence Program including MINEDUC, HEC, BRD, UR, WDA and RP. The step by step approach for implementation are below.

1.1.1.1. **Define the performance metrics and framework for decision-making, before implementing the pilot.** Key performance indicators will be aligned with all key public stakeholders and focus on students’ employment outcomes. Importantly, these metrics will allow to identify the institutions’ value-add, controlling for students’ background. Furthermore, a framework on how to allocate the prize and extra funding will also be designed before collecting the data. These key performance indicators, which can be broken down further, include among others:
   - Graduates’ employment rate after graduation.
   - Projected salary before and after graduation.
   - Student satisfaction with the skills developed.

1.1.1.2. **Collect data from TVET and Higher Education institutions willing to participate in the program.** As outlined in the situational analysis, the current Tracer studies, collect data for employability outcomes of TVET. However, the information is taken for a sample of graduates and is not analysed at a faculty or institution level. The NSDEPS will invite TVET and Higher Education Institutions to participate in the pilot through a call for proposal. In addition to the general Tracer Studies being conducted by RP annually, the pilot will track the above indicators for all graduates of ten institutions selected during the call for proposal. Each of the ten institutions in the pilot should already have sufficient institutional capacity to be able to collect and manage the data, with support from NSIR and RDB.

1.1.1.3. **Exploit lessons learned from data collection process as a basis for decision making.** Based on the data collected, (1) assess lessons learnt and feasibility of scaling
up to other institutions (2) single out challenges and advise accordingly (3) rank the participating institutions based on the quality of training and education.

1.1.1.4. **Initiate an Excellence Award for TVET and University Institutions.** Three key actions will be implemented: (1) reward high performing institutions, (2) devise actionable mechanisms to solve identified challenges and disseminate best practices across institutions.

1.1.2. Improve students’ understanding of the costs and benefits of specific TVET and Higher Education

1.1.2.1. **Organize large-scale information campaigns on TVET and Higher Education outcomes.** Evidence has shown, that TVET has historically been positioned as “second chance” or “second rate” education (TVET Policy 2015). In 2018, only 40% of TVET graduates, chose to study to improve their career prospects. It is thus very important to communicate the labour market outcome by trades to attract students. A widespread information campaign using a variety of communication channels on the relative returns to different educational choices can improve students’ decision-making. Similar successful international programs have done so by providing a public, annual ranking of institutions based on employment statistics. This strategic activity will leverage the information collected for the performance-based management pilot and the *National Tracer Studies*. Importantly, these campaigns need to adapt campaigns to local context (e.g. use physical advertisement in schools in rural areas rather than using online advertisement). In particular, TVET and Higher Education institutions should be obliged to advertise and provide any available data to prospect students.

### 1.2. Market-led Education Initiative

**Objective**

To ensure formal education provides market-relevant skills, by actively engaging the private sector throughout the skills development cycle.

**Motivation**

In the proposed strategic interventions on increasing private sector involvement in TVET and Higher Education, the NSDEPS is in line with the National Strategy for Transformation (Strategic Intervention 3 under Priority Area 1). It further builds on one of the key recommendations of the National HRD Strategy, to “promote the private sector’s active participation in curriculum and programme design” (HRD Strategy 2018, p.63).

As the situational analysis has highlighted (refer to section II.1), the TVET education still has a low reputation among youth and is often seen as the last option due to low returns to

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67 “Develop and enhance strategic partnerships with private sector companies in the implementation of Work Place Learning (Rapid Response Training, Industrial based training and apprenticeship).” NST 1, p.3
education. The Higher Education system is currently lacking a close link to industry, which often leads to graduates not having the market relevant competencies after completion of their degree programmes. The NSDEPS is proposing strategic interventions and activities aimed at improving the quality and relevance of TVET and Higher Education through: 1) stronger involvement of private sector development in curriculum design, 2) Improved Governance of TVET and University systems, 3) Improved content of training and quality of delivery, including an increased exposure of teachers and students to the world of work throughout their studies.

The NSDEPS will prioritise implementation of the already conducted skills audits in Energy, Transport and Logistics, manufacturing (Agro-processing) sectors by actively involving key actors. This will also include active involvement of the private sector and academic institutions in the curriculum design using the DACUM approach. The strategy will also leverage the lessons learnt from the DACUM approach to scale the approach to other priority sectors to avail critical skills needed to achieve Rwanda’s middle-income status by 2035.

The proposed interventions under the “Market led Education Initiative” will be targeted at both TVET and Higher Education level. For ease of implementation and to allocate responsibilities to the relevant institutions, these have been included in separate strategic interventions. However, at the overarching level, there are activities which apply to both TVET and Higher Education specifically with regards to involvement of private sector in the governance structure and the establishment of business and innovation centers. This is the case for activity 1.2.1.2 on revamping “Sector Skills Councils” (SSC). These SSCs were initially established as a key mechanism to facilitate dialogue and identify skills gaps in priority sectors for both TVET and Higher Education. However, as outlined in the situational analysis a number of challenges have hindered them in fulfilling this role. The NSDEPS proposes to revamp the SSCs as critical intermediary in the dialogue between skills supply and skills demand through: 1) revising their membership structure, 2) improve the legal framework and governance structure, 3) providing incentives for private sector companies to participate in the councils, and 4) actively involve them in curriculum design and implementation. For the successful implementation of all of the above mentioned, the strategy will provide for the adequate financial support throughout the course of the NSDEPS implementation.
**BEST PRACTICES INFORMING PROGRAM 1.2.**

**Sector Skills Councils (SSCs)**

Sector Skills Councils (SSCs) are internationally used to ensure private sector needs are addressed by skills development providers. For instance, India uses 37 SSCs responsible for developing *National Occupational Standards* (NOS) and *Qualification Packs* (QPs) describing the skills needed in various sectorial jobs and the training requirements to develop them. SSCs are then held accountable for the employability of the workers trained following NOS and QPs guidelines. This accountability of the SSCs is a key success factor in India, and Rwanda should replicate this best practice to ensure SSC are effectively contributing to skills development and employment promotion. In Botswana, sectoral committees (SSCs equivalent) have been established in the Human Resources Development Council, informing training and education in “strategic” and “enabling” sectors. This dynamic helps skills development institutions to tailor their curricula to the needs of the labour market. In Singapore, Industry Skills Councils (SSCs equivalents) develop sector-based strategic plans reflecting sector needs to inform training institutions. Similarly, in South Africa, the Sector Education and Training Authorities (SSCs equivalent) have been established in 23 sectors and have developed strong skills plans and promoted apprenticeships across industries. These authorities are overseen by the Department of Higher Education and Training (DHET). The SETA’s are responsible for setting five-year sector skills plans, learnerships, internships, learning programme type matrix, and unit-based skills programs, among others. SETA’s are also responsible for the disbursement of the training levies payable by all employers which are disbursed through a management system that is motivated by the skills assessments within the respective sectors.

**Private sector engagement in TVET**

Close private sector engagement in TVET is key to ensure the provision of market-relevant skills. For example, Chinese TVET institutions recruit part-time private sector practitioners to teach industry-gained *know-how*. TVET teachers can also spend two months working in private companies to identify skills gaps. This is a key success factor that could inform Rwanda’s TVET strategy, as teachers gain real life experience and are then able to adapt their trainings to business needs. Finally, companies can request tailored courses in return of hiring a number of graduates. In Germany, the dual system approach to vocational training, with a heavy apprenticeship component, ensures private sector needs are reflected in the curricula.


**Strategic interventions and activities:**

1.2.1. Increase relevance of TVET training to the labour market needs
Improving Governance of TVET System

1.2.1.1. **Increase private sector involvement in TVET governance structure.** Following the recent reform undertaken in the TVET system in 2017, the responsibilities of WDA were partly transferred to Rwanda Polytechnic (RP) giving the responsibility of regulation and accreditation responsibility for WDA, while RP is responsible for curriculum development and implementation. Another important outcome of the reform was that vocational training school management falls under immediate oversight of the District management. Although it is soon to evaluate the outcome, it will be difficult for Districts to prioritize Vocational Training Centres (VTC) planning and budgeting given their wide mandate. According to the law establishing RP\(^\text{68}\), there is no provision for private sector representation in the RP Council.

Many high growth countries including Singapore, Republic of Korea and Malaysia used an activist approach to technical skills development by creating organisational infrastructure with the appropriate governance design with strong representation of private sector practitioners\(^\text{69}\). The NSDEPS is proposing a TVET national advisory committee with 50% private sector representation including private sector innovation institutes, e.g. Carnegie Mellon University, AIMS and other innovative training providers. Further to that the NSDEPS will advocate for the establishment of boards and advisory councils at school level. This will have the indirect positive effect of the TVET schools already establishing a relationship with the major companies and private sector players in their immediate surroundings, which can also help addressing the uptake of interns and transition to the labour market upon graduation.

1.2.1.2. **Revamp Sector Skills Councils (SSCs) to inform skills development in TVET and Higher Education.** The NSDEPS will advocate for and coordinate an active role of Sector Skills Councils (SSCs) in steering formal education in Rwanda, this activity applies to both TVET and Higher Education. In this, it builds on one of the key recommendations from the National HRD Strategy, to “fully utilize” sector skills councils (p.63). As highlighted above, the NSDEPS proposes the following activities to address the key challenges that are currently hindering an effective implementation of SSC i) revising SSCs membership structure, ii) improve the legal framework and governance structure, iii) providing incentives for private sector companies to participate in the councils, and iv) actively involve them in curriculum design and implementation. In detail this means that i), the NSDEPS will start by conducting an in-depth review of current SSCs, which will also propose a review of the membership structure with special emphasis on chambers, associations and professional bodies; ii) effectively engage the concerned parties to develop an operating procedure manual that can serve as the guiding framework for all SSCs; iii) incentives will be provided to private sector if they participate in SSCs. These incentives can include covering training

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\(^{68}\) Official Gazette n° 23 of 05/06/2017, Section 2, Article 14.

\(^{69}\) World Bank Future Drivers of Growth. 2018.
costs for identified skills gaps, facilitating study tours to benchmark with international best practices, free advertising in major government events or linking their participation in SSC to the access of training benefits (e.g. Rapid Response Training); iv) Empower SSCs to effectively guide skills development in TVET and Higher Education. With regards to the latter, SSCs would be involved in designing the curricula, recommending training methods and providing overall guidance on TVET and Higher Education management. Importantly, SSCs will be actively contributing to the sector skills audits to identify the specific skills needed in each sector. To attract or develop these skills, they will also be empowered to submit proposals to the Capacity Development Programme to invest in closing their skill gaps.

Content of Training and Quality of delivery

1.2.1.3. Increased exposure of TVET students to the world of work throughout the studies. The NSDEPS aims to put more emphasis on streamlining dual learning throughout the TVET system. As described in the situational analysis private sector uptake of internees as well as effective coaching during the internship has been limited. The strategy aims to build on interventions proposed in the PSDYE under the “Train a Rwandan Campaign” to mobilize companies to offer learning opportunities to TVET students through internship and apprenticeship. In addition to conducting information campaigns, the establishment of a group insurance for interns that covers both occupational hazard and costs of damaged material will be relieving one of the major constraints to internship provision. In addition, a better planning of timing of internships and industrial based attachments in a sequential manner is required. The NSDEPS proposes RP to jointly work with private sector companies to align and plan the annual internship placements well ahead of time. The NSDEPS will initiate a recognition package for companies that provide internships with effective coaching to TVET students. This will be linked to the Excellence Award for TVET institutions and training providers (1.1.1.4). It will also build on previous experience where both industry and academic co-supervisors were appointed to oversee and have responsibility for the students whilst in their internship placement.

1.2.1.4. Enhancing TVET Teacher training through practical exposure. In addition to academic qualification, TVET teachers have to get skills recognition and licensing. In this regards the strategy proposes four interventions: (1) Enhancement of the on-going program of TVET teachers to undergo practical training in companies for their career progression by incentivizing companies for more uptake. The practical training at the enterprises equips them with the latest technology and skills for evolving industry needs. (2) TVET schools to recruit company experts as part-time teachers or inspirational speakers for practical courses. (3) Incentivising companies to cooperate with TVET schools in planning, course development and teaching, allowing students to acquire practical training and industry exposure. These incentives can be in form of: i) privilege to hire best performer graduates ii) free advertisement of company products in major public events among others, iii) recognition and excellence award.
1.2.1.5. **Expand and professionalise business and innovation centres at TVET Institutions.**

The recognition that not all the graduates of TVET institutions will take up a job as an employee, but some will have to become employers themselves, has led the TVET system to start establishing incubation centres in different colleges and TVET schools. Those centres will support students with interesting projects in developing their business plans and growing their businesses. The ambition is strengthen existing incubation centers and expand to all IPRCs, with a current baseline of four in place, which are IPRC Kigali and Tumba and two additional stand-alone incubation centres in Nyarutarama and Masaka. There are other emerging incubation centres, such as ICT Innovation Centre, which are entering the market.

However, the main challenges after having established the incubation centres, are to (1) establish effective and transparent processes to select projects and 2) funding availability to ensure projects get implemented and 3) the coaching of the proto-types to turn them into investible projects. To address these challenges, the strategy advocates for harmonised call for proposals in TVET schools and IPRCs for projects to be selected for incubation centres. These projects should not be limited solely to student projects but advocate for joint student-teacher proposals. This can be an innovative approach to foster teacher recognition as well as to improve the engagement of teachers in the development and implementation of the projects. To address the challenge of financing, the NSDEPS proposes to establish an innovation fund to support promising projects selected for incubation centres.

1.2.1.6. **Establish joint training centres with leading private sector employers.** As the situational analysis pointed out, there are so far no PPPs in training. Following Singapore’s example, Rwanda could partner with major employers to provide market-relevant skills. This is in line with recommendations from the PSDYE to explore the possibility of PPPs in key value chains through partnerships between GoR and key companies. Under a joint venture scheme, this initiative could provide courses where curricula and training are tailored to satisfy the needs of a specific employer. RDB will engage leading employers to establish joint training centres.

Private Sector Involvement in Curriculum Design

1.2.1.7. **Increase private sector involvement in curriculum design.** Across all TVET trades, except for IPRCs, since 2012 the DACUM approach has been used as a framework for curriculum development. However, with regards to ensuring strong private sector involvement in curriculum design, there is still room for improvement. The 4-weeks period required for curriculum development workshops is too long for large companies and employers. The strategy thus proposes for WDA and RP to review the Competence Based Qualification framework to allow for a more flexible involvement of private sector along the design process. This can include short-term effective consultations, where Sector Skills Councils and key companies along priority sectors are engaged at

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70 The DACUM approach was initiated under the World Bank supported programme Skills Development Programme (SDP) in 2012.
each critical stage to provide input and guidance. Additionally, TVET institutions will be required to implement the recommendations of the sector skills audits.

1.2.2. Increase quality and relevance of Higher Education

Improving Governance of University System

1.2.2.1 Increase private sector involvement in University Governance Structure

As per the law determining the supervising authority of the University of Rwanda (Gazette n°51 of 23 December 2013), there are six different levels within the governance structure of the University of Rwanda, namely: (i) Department Council, (ii) School Council, (iii) Directorate of Teaching and Learning Enhancement (DTLE), (iv) College Academic Council, (v) UR Headquarters Directorate of Teaching and Learning Enhancement (DTLE), (vi) UR Academic Senate and (vi) UR Board of Governors. The latter is the overarching body governing UR programme accreditation and all academic affairs. It consists of a total of 19 members out of which 3 are representatives from the private sector. Within the other levels, the private sector is not formally involved. This also holds for college level, where there is no framework to formally involve private sector representatives, although they are regularly consulted in curriculum and programme development.

In private Higher Learning institutions, the involvement of private sector within their governance organs is not harmonised, while some private tertiary institutions don’t have a strong representation of the private sector in their governors’ board, others are actively seeking for private sector members.

The NSDEPS aims to advocate for a harmonised approach of private sector involvement at the level of both public and private Higher Learning Institutions. This includes expanding private sector involvement at the University of Rwanda up to college level, as well as harmonising the framework for private institutions.

Content of Training and Quality of delivery

1.2.2.2 Enhancing University Teacher training through practical exposure

The exposure of university lecturers to industry and practical application has proved of critical importance to ensure the relevance of the teaching to the world of work. For this reason, the University of Rwanda is piloting industrial attachments for their teaching staff since 2019 in three priority sectors (Energy, Agro-processing and Transport and Logistics). The NSDEPS will build on these current efforts to expedite and scale to other sectors. This includes encouraging public institutions to take the lead in absorbing a large number of these lecturers and providing them the opportunity to experience the practical application of the material they are teaching. In addition, the NSDEPS proposes to leverage large projects in key strategic sectors, to include a window for involvement of lecturers through industrial attachment. In close collaboration with the Investment office in RDB, the NSDEPS will facilitate industrial exposure of lecturers in key investment projects in priority sectors.
1.2.2.3 Foster university-industry-government cooperation. The cooperation between university, industry players and the government (known as Triple helix model) has proven key in many countries to solving socio-economic issues while fostering research skills for university graduates. Under this tripartite model, each party has a clearly defined role:

- **Universities** to conduct problem-based research
- **Companies** to produce commercial products based on solutions from University research
- **Government support** through policy regulation

To fast-track and effectively operationalise on-going efforts by the GoR under Kigali Innovation City and Rwanda Innovation Fund, the NSDEPS will advocate to build strategic partnerships with world class research institutions, that have successfully implemented this model. The NSDEPS will strongly leverage experience of existing incubation centers such as Klab in developing innovative IT solutions.

Private Sector Involvement in Curriculum Design

1.2.2.4 Increase Private sector involvement in University curriculum design.

The practice in curriculum design at university level has been to approach the private sector in the design stage of curriculum development. Once skills needs are identified by the private sector, a draft curriculum is designed and presented to public and private stakeholders. After passing through the necessary levels (Faculty, College, Senate, HEC) the curriculum was adopted. Since 2017 the DACUM approach has been introduced in three priority sectors (Energy, Transport and Logistic and Agro-processing) at the Public University of Rwanda and RP and its colleges (Higher level TVET). Under this approach, the curriculum development takes places after skills needs assessments are conducted. The challenge remains that private sector can often not avail enough time to participate in the whole curriculum development process. Thus, the NSDEPS proposes to review the Competence Based Qualification framework used in University curriculum development to allow for a more flexible involvement of private sector along the design process. This can include short-term effective consultations, where Sector Skills Councils and key companies along priority sectors are engaged at each critical stage to provide input and guidance. Further to that it will build on the lessons learnt and insights of the pilot implementation of DACUM approach to expand to other programmes.

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71 As of June 2019, 58 lecturers have been trained in the DACUM approach under World Bank PSG project.
1.3. Capacity Development Programme

Objective
To address skills gaps in priority areas in targeted companies and develop public sector capabilities.

Motivation
Skills shortage is a constraint for private sector growth, and better public institutional performance. On the private sector side, companies in Rwanda are constrained by the low capacity of their staff to remain competitive and expand. Both quantitative and qualitative sources confirm employers’ willingness to grow if they find the right talent. With regards to public institutional performance, public servants’ capabilities are critical to improve institutional performance. Building on two existing funds, i.e. the Skills Development Fund (SDF) managed by WDA and the Capacity Building Fund (CBF) managed by RDB (referenced in section III.3), the NSDEPS proposes to create an umbrella fund, called the Capacity Development Programme (CDP). Bringing together both SDF and CBF under one umbrella, will strongly improve coordination, effectiveness and facilitate implementation of capacity building initiatives in both the public and private sector through specialised trainings in priority areas.

The proposed Capacity Development Programme (CDP) will then have two windows. One for private sector capacity building and another for public sector capacity building. The private window will take on the structure of the Skills Development Fund (SDF) as well as the private sector support currently provided under Capacity Building Fund (CBF). While the public window will build on the Capacity Building Fund (CBF) and continue to provide support to public sector capacity building. The figure below illustrates the proposed structure of the Capacity Development Programme with respective implementation responsibilities highlighted. Under this new proposed structure, RDB will have the overall coordinating responsibility of all windows under CDP, this includes identifying priority investment with potential impact on bridging the skills gap after benefitting from SDF programs specifically RRT. Further to that, RDB will have the implementing responsibility of all CBF interventions. WDA will be responsible for implementation of SDF.\textsuperscript{72} The NSDEPS proposes RDB as overall coordinator of the CDP for the following reasons:

- RDB has the closest connections with private sector companies and incoming investors
- RDB now has the mandate for overseeing skills development and its coordination
- Bringing all programmes under CDP together will facilitate synergies and avoid duplications in interventions

Thus, the new element that the CDP will bring to capacity building interventions, is an effective streamlining of different institutions’ interventions. To that end, Senior Officials of RDB Investment and Skills Office will be represented on the SDF Board and Grant Committee. Furthermore, bringing in an element of co-financing under the private sector window, will

\textsuperscript{72} The implementing responsibilities are carried forward from the current situation for reasons of consistency and continuity.
build the way towards a more sustainable and private-sector driven operationalisation and implementation of the fund.

Figure 12: Proposed Capacity Development Programme
1.3.1 Strengthen private sector capacity development through targeted company level support

1.3.1.1 Review and establish a co-financing model for the Private Sector Window of CDP (CBF Private Sector Window). This strategic activity builds on one of the key best practices informing program 1.3. Strengthening Skills Development Funds.

Private sector engagement and clear accountability can maximise the impact of Skills Development Funds (SDF). An SDF is defined as “a dedicated stock or flow of financing outside normal government budgetary channels for the purpose of developing productive skills for work”. In India, the National Skills Development Fund was launched in 2009, with the aspiration of training 150 million workers by 2022. It was designed as a public-private partnership, offering financial assistance to private training providers, while setting targets for them in terms of the number of workers trained and their subsequent employment rate. India’s experience reveals two challenges in implementing Skills Development Funds: (a) first, excessively ambitious targets might discourage training providers, as between 60% and 80% did not satisfy their goals, and (b) second, high fluctuation in the government’s contribution to fund (varying over 50% year-on-year) might reduce the trainings’ effectiveness. Learning from India’s experience, Rwanda’s Capacity Development Program should (a) set ambitious yet achievable goals for skills development providers and (b) ensure funding stability year-on-year to allow a training ecosystem to flourish and best practices to spread. In Malaysia, the Human Resource Development Fund (HDR) supports in-service training at employers’ discretion. The HDR is financed by a levy, between 0.5% and 1% of employees’ wages, on private firms above 50 employees. These funds are collected in company-specific accounts to pay for the training of the company’s staff in accredited training programs. Additionally, the government provides additional funds for targeted training for specific groups. The HDR funds 13 different types of trainings, to respond to each business particular needs, including 2 ICT-focused trainings, 4 courses aiming at increasing the supply of skilled labour and 7 upskilling the existing workforce. SMEs received roughly 80% of the trainings while businesses in the services sector accounted for ~60% of trained employees. With regards to the minimum staff requirements for eligible firms to 50 staff, this criteria should be adopted since most firms in Rwanda are micro and medium. An interesting take away, would be to increase subsidy rates for firms in priority sector activities. A World Bank evaluation of the programme in 2014 pointed out to positive effects in wages, labour productivity and total factor productivity, among other benefits. In Africa, SDFs are becoming increasingly popular beyond Rwanda, adopted in countries such as Uganda and Ghana. In Uganda, the fund focuses on cross-cutting themes such as digitalization and entrepreneurship and has the support of the World Bank and Enabel, amongst others.

recommendations of the National HRD Strategy 2018, which identifies the needs to institutionalise “private sector contribution to HRD financing” (p. 67). For sustainability and ownership purposes the Private Sector Window will introduce a contributory scheme to fund private sector skills development interventions. Currently the budget of CBF is provided from the Government side, without contribution from private sector, which leads to limited involvement of companies. Establishing a direct joint financing channel, through cooperation with the private sector federation and champion companies, will increase the outreach of the fund and ensure that the provided trainings address immediate companies’ needs. With regards to the type of trainings provided under the private sector window of CDP, one of the key missing skills are transversal skills (including the ability to effectively communicate, the ability to work in a team, problem solving, independent thinking, the ability to learn, adaptability, and entrepreneurial abilities.). Given its scope the NSDEPS will not address transversal skills building throughout the formal education system, but will focus on upskilling of fresh graduates as well as in-company training.

1.3.1.2. **Leverage SDF to attract strategic investment.** The current SDF focuses on pre-employment training and has proven an effective tool to support SMEs in addressing skills shortages. So far it has faced difficulties to attract large and specialised companies. This is mainly attributed to the lack of flexibility to tailor the funding to investors’ needs specifically in specialised trainings. Furthermore, specialised companies are not labour intensive and thus cannot comply with the minimum requirement of employees to be trained under RRT. 
Under NSDEPS, WDA will continue to implement the SDF to ensure continuity. RDB will coordinate the Capacity Development Programme, which comprises CBF and SDF, and specifically bring in its investment and private sector expertise. To address the above outlined challenges, which currently prevent the use of SDF as an effective tool for large companies, the NSDEPS proposes to review SDF guidelines, specifically with regards to Rapid Response Training in large and specialised companies. This guideline review will be spearheaded by RDB to accommodate flexibility to adapt to specialised companies’ needs as well as to specify minimum working conditions and pay-thresholds, that companies need to comply with in order to benefit from the scheme. 
Currently, the SDF focuses on three sectors namely Energy, Transport & Logistics and Agro-processing. In line with future skills needs, the NSDEPS proposes to expand the intervention area of SDF to other key sectors, namely ICT and Tourism & Hospitality. This is in line with the recent amendment of the SDF PoM, which proposes to open applications under SDF to additional sectors with labour-market relevance. Building on current best practices there will be an element of cost sharing between companies and the programme.

1.3.2. **Strengthen public sector skills development**

1.3.2.1. **Review and establish a co-financing model for public sector capacity building**
Currently capacity needs are identified at institutional level and submitted to RDB, which manages the Capacity Building Fund. There is currently no monetary contribution of the recipients of trainings towards financing the training costs. This often leads to limited ownership and on-take of the outcomes of trainings on the job.
The NSDEPS is proposing to include an element of co-financing at the individual participants’ level, who are interested to pursue training in the identified skills gaps. This approach will enhance ownership and dedication to the continuous professional development of public servants. It can also play a role in the performance evaluation and promotional development of individual staff. Secondly, the *Capacity Development Programme (CDP)* will seek to partner with skills development institutions to offer subsidized and flexible diplomas or master’s degrees, allowing civil servants to develop critical skills without leaving their job.

1.3.2.2. **Upgrade database to monitor and evaluate the impact of public and private interventions** First, the *Capacity Development Programme* will upgrade the existing databases (CDMIS, SDF) to capture all trainings provided to civil servants and private sector practitioners. This will allow to track beneficiaries and assess the performance of the CDP management. For public servants, it will also permit to verify whether trained civil servants are improving their performance based on their individual annual performance reviews.

1.3.2.3. **Attract renown professional training providers for public servants training.** The *Capacity Development Programme* will identify the main training capabilities missing in the country to select the types of training providers to be attracted through proactive outreach. This will reduce the costs of sending civil servants to participate in trainings abroad to be upskilled. Furthermore, the possibility of leveraging on civil servants, who were trained abroad, to deliver trainings, to fellow public sector employees will be explored and a framework to support this skills transfer will be established.

**Risks and Mitigations Pillar 1**

The following highlight the key risks and planned mitigations that are *cross-cutting*, across all parts of this strategy. They should be taken to be relevant for all pillars. Where there are specific nuances for these cross-cutting risks in each pillar, these have been included separately.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Planned mitigation</th>
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<tr>
<td><strong>Accountability for results:</strong> One of the major challenges of a national, multi-institution strategy is to ensure that lead institutions can be held accountable for their results and programs, especially when the success of these may depend on other bodies. The results may also be influenced by exogenous factors outside of the NSDEPS’ control.</td>
<td><strong>Robust monitoring and evaluation process:</strong> M&amp;E will be centralised, so each lead institution reports to an M&amp;E delivery unit coordinated by RDB. RDB takes an overall learning role to understand what is working, and what needs refinement – as well as tackling systemic issues across institutions that are leading to a lack of accountability.</td>
</tr>
</tbody>
</table>
Coordinated between institutions: Every program requires multiple institutions to coordinate to deliver the program and required results; which could lead to a lack of alignment over time.

Strong governance mechanism: Each program will have a single ‘lead’ institution, responsible for the program. There is a strong governance mechanism, learning from NEP experiences, with four levels, including a cross-institutional technical team. There will also be a new Implementation Delivery Unit based at RDB that can tackle day-to-day implementation issues and track implementation progress.

The following highlight the key risks and planned mitigations for Pillar 1: Skills Development in particular.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Planned mitigation</th>
</tr>
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<tbody>
<tr>
<td>Promoting inequality in education: The National Training Excellence Program aims to highlight and support successful programs and institutions who have strong employment outcomes. If funding is directed, as an incentive, towards the more successful institutions, there could be a possibility that the more poorly performing institutions are penalised and fall further behind.</td>
<td>Support success without penalising others: This risk shall be mitigated in a number of ways: 1) The ‘value added’ of an institution should be considered, not the absolute performance of students. This should control for poor economic opportunity in some areas, and the quality of intake of students. 2) The strategy calls for a ‘Excellence Award’ – i.e., a top up of funding; rather than a reallocation of funding from worse-performing to better-performing institutions. 3) The strategy calls for an initial pilot, to test if this risk will be realised in practice.</td>
</tr>
<tr>
<td>Risk</td>
<td>Planned mitigation</td>
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<tr>
<td><strong>Access to data:</strong> There is a lack of skills and employment data which will impact a number of these programs; 1) The National Training Excellence Program, for linking to results; 2) the Market-led education initiative, for understanding the skills to be focused on by the private sector; and 3) the Capacity Development Programme; for evaluating which investment proposals will deliver the greatest employment impact</td>
<td><strong>Make appropriate investments and build up capability:</strong> Throughout each program, the best of existing data will be used, and targeted investments made as proof of concept. For example, for the National Training Excellence Program, by focusing on a pilot number of institutions, it allows the investment in data to be targeted where it will be most effective, and to expand from there. In parallel, program “Evidence-based Workforce Planning and Matching Program” under Pillar 3 will capture this new data and continue to investigate the use-cases for it, so the value of this investment can be maximised.</td>
</tr>
<tr>
<td><strong>Lack of engagement/attendance by private sector:</strong> The Market-Led Education Initiative requires investment of time and effort from private sector leaders, to truly make skills-development business-led. Previous experience shows that Sector Skills Councils reduce in level and seniority of attendance over time.</td>
<td><strong>Align with existing programs and give these bodies real influence:</strong> There are bodies for the private sector that are well attended and are respected by the business community – for example, the Chambers of Commerce. In each sector a quick scan of existing bodies should be taken, to see if there is an opportunity to collaborate with an existing gathering of business leaders. Secondly, the SSCs should be given significant influence over the skills that will be developed and taught (they should be action-orientated, with accountability for prior meetings). Thirdly, they should only meet as frequently as is needed to fulfil their purpose (so each meeting has a clear purpose and agenda). Fourthly; they have appropriate support through the Delivery Unit so that actions are followed up on, senior business leadership is encouraged to attend, and there is also senior attendance from RDB.</td>
</tr>
<tr>
<td><strong>Lack of donor interest:</strong> To amplify skills development in a context of limited public sector funding, private and social sector investment will be needed to deliver the strategy.</td>
<td><strong>Invest in attracting donor interest and support:</strong> A small number of individuals within RDB will be tasked with sourcing and coordinating donor involvement for the NSDEPS, to increase the level of support.</td>
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</table>
Pillar 2: Employment Promotion

Strategic framework

To tailor interventions to business needs, the NSDEPS segments between three different categories of firms: (1) Medium and large businesses, (2) High-potential start-ups and (3) Ideation-level start-up. The classification uses broadly recognised business metrics in Rwanda, and is summarised below:

- **Category 1: Medium and large businesses**
  - More than 30 employees
  - At least 3 years since registration

- **Category 2: High-potential start-ups**
  - Less than 30 employees
  - At least 1 year since registration
  - Viable and tested product already on the market

- **Category 3: Ideation-level start-up**
  - Lack of viable and tested product on the market

The NSDEPS focuses on supporting firms in categories 1 and 2 by exploiting three main levers: (a) access to markets, (b) access to finance and (c) business capacity development. The capacity building aspect is a critical element of both (a) and (b) and will be addressed through targeted interventions in business capacity development to ensure the key constraints are addressed through tailored capacity building measures. Further to that, tailored technical support to meet standard requirements will provided directly under the Access to Market programme and support businesses to improve financial planning and performance. The Capacity Development Programme (1.3) can be one of the sources of financing of these trainings.

The framework below summarises the main stages and levers of enterprise development and highlights the scope of the proposed NSDEPS programmes and interventions under this pillar.

*Figure 13: Strategic Framework for Pillar 2 on Employment promotion through business development support*
NSDEPS only includes elements in social support and concept stage, where they link closely to the priority areas. Social support and concept stage are fundamental areas for Rwanda’s development, but are not prioritised in this strategy, as they are addressed in other national documents. Below are summarised some important interventions outside the scope of the NSDEPS:

- **Rehabilitation support**: The National Youth Policy aspires to strengthen youth rehabilitation through two main initiatives. First, it establishes rehabilitation centres to reduce the level of delinquency among the youth. Second, it promotes the social integration of delinquents and unemployed youth through skills development centres, equipping them with market-relevant skills for employment and to pursue meaningful lives.73

- **Start-up support to grow concept businesses**: The Private Sector Development and Youth Employment Strategy sets out to support start-ups with technical and financial support.74

In all its interventions the NSDEPS will build on existing Government interventions to improve the enabling environment to spur SMEs growth. For instance, the *Private Sector Development and Youth Employment* (PSDYE) strategy aims at “streamlining the regulatory environment and sharing information”, to unlock SME growth (Pillar 4). To do so, it sets the targets of lowering the cost of accessing information and government services, improving the enforcement of small business contracts to develop competitive value chains and drafting better regulations. The *National Strategy for Transformation* (NST1) also includes a wide range of initiatives to facilitate SME growth and accelerate job creation. Such as developing infrastructure (Priority Area 2), improving the business environment for industrialization (Priority Area 4), developing Rwanda’s national and cross-border transport networks, and facilitating access to finance (Priority Area 5). Moreover, the *Made in Rwanda Policy* seeks to develop manufacturing in Rwanda, benefiting SMEs with job creation potential. As cross-cutting initiatives to improve the enabling environment, the *Made in Rwanda Policy* envisions to reduce the cost of production, improve access to industrial inputs and modern technology, improve quality, upgrading quality infrastructure and regulation, promote backward linkages and change business mind-sets.

**Programs for Pillar 2: Employment promotion**

Pillar 2 will support employment promotion, which are activities conducted for the purpose of creating and sustaining jobs. To do so, it will focus on facilitating access to markets, both domestic and international; easing access to finance; and developing business capacity, specially supporting nascent firms with high-growth potential but limited know-how.

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73 MINIYOUTH, National Youth Policy, 2015
74 MINICOM, Rwanda Private Sector Development Strategy, 2013
2.1. The Access to Markets Program

Objective
To support Rwandan firms’ growth by facilitating access to domestic and international markets, ultimately leading to job creation.

Motivation
Limited access to market is a major constraint for Rwandan firms, holding back their potential for job creation. As highlighted in the Situational Analysis, insufficient demand is leading cause for the ~25% of Rwandan companies that operate under their full capacity. This particularly affects SMEs, as they don’t benefit from economies of scale when reaching regional and international markets and their product quality is often insufficient to compete internationally or meet regulatory standards. Additionally, local value chains are not developed enough to sustain a thriving SMEs ecosystem. For medium and large firms, international expansion is often mentioned as challenge in qualitative interviews. The Access to Markets Program will address these challenges to ease access to markets for Rwandan firms.
Institutions can support access to markets by providing international visibility and technical support and promoting collaboration between SMEs and larger firms. For instance, in Singapore, Enterprise Singapore, a government agency, supports business growth and collaboration between SMEs and multinational corporations to build capabilities and access international markets. Therefore, growing SMEs, benefiting from Enterprise Singapore, have an incentive to create employment, in order to increase production, meet the demands of their new markets and fulfilling their growth potential. Among other programs, the International Marketing Activities Program (iMAP) helps companies through overseas missions and trade fairs, covering up to 50% or 70% of core expenses such as rental space, publicity and fair or mission consultancy costs. Enterprise Singapore ensures supported companies are critical for the country’s growth agenda by requiring them to at least be involved in three of the following core business areas: Market development and planning; Logistics and shipping management; Research, development and design functions; Manufacturing and other value-added activity; Business and investment planning or Banking, financial and treasury functions. Importantly, the iMAP program provides feedback to supported companies with regards to their products and to their international go-to-market strategy. Trade Associations and Chambers (TACs) lead overseas missions and trade fairs and often channel this program’s support towards SMEs. This support is critical for SMEs to overcome the cost of entering a new market, and Rwandan SMEs would benefit from a similar support in their international expansion. Additionally, the Partnership for Capability Transformation (PACT) encourages mutually beneficial collaboration between SMEs and multinational corporations (MNCs) or large Singapore enterprises. This collaboration can either focus on capability or business development and contributes to the upgrade of SMEs’ capabilities in areas such as technology, innovation, and supply chain. Collaborating firms can also jointly pursue new international projects under the business development collaboration scheme. In South Africa, The Board Based Black Economic Empowerment (BEE) law provides incentives for corporates to include small businesses in their supply chains through a program called Enterprise and Supplier development. A small number of BEE points are earned when a corporate provides financing or technical support for an SME, and then if that SME begins supplying to the corporate a much larger number of points are awarded. Rwanda can learn from this program adding a preference for public procurement to those who include SMEs in their supply chain.

2.1.1. **Enable international expansion by providing technical support and access to marketing platforms (including e-commerce) to Rwandan Firms.** There are emerging initiatives to support medium and large enterprises to access international markets. The main problems remaining are meeting quality standards and production capacity. This strategy will leverage existing available support facilities to develop a special package of support availed to these enterprises. This includes the provision of targeted capacity building support to access e-commerce platforms. Currently, RDB is already providing support to companies in building their capacity to trade on e-commerce platforms, this includes the on-going cooperation with AliBaba through the newly launched Electronic World Trade Platform (eWTP). The above foresees a strong cooperation between RDB and Alibaba affiliate, the Alibaba Business School (“ABS”), in capacity building in e-commerce and related areas through targeted trainings for government policy makers, trainings for SMEs, Training of Trainers of University Lecturers and provision of fellowships for entrepreneurship trainings. The NSDEPS will continue to support these trainings under the Capacity Development Programme.

2.1.2. Support micro and small enterprises in accessing markets

2.1.2.1. **Promote cooperatives and collaboration among SMEs to reach large scale production.** The most significant challenge to access markets faced by SMEs is to provide consistent supply and sufficient volumes for competitive unit costs. In addition, standard compliance is still a binding constraint for SMEs especially in food and beverage products. The NSDEPS will support cooperatives and other similar organisations through SME capacity development programs by combining their production for an effective coordination of supply. Further to that, experienced technicians will be attached to promising SMEs to provide advice on financing, profiling, standard compliance, market penetration etc. For standard compliance, RSB “Zamuka mu buziranenge” initiative will be leveraged to build the capacity of SMEs in acquiring certification. In parallel, export advisors at RDB and the National Agricultural Export Development Board, will help cooperatives meeting quality standards for export, with a special focus on Agriculture.

2.1.2.2. **Develop value chains by creating incentives around procurement from SMEs and access to marketing platforms (incl. e-commerce).** This strategic activity is based on PSDYE proposal to establish a domestic supplier development program, which is set up to support Anchor firms, government procuring entities and other large buyers to develop locally-intensive sourcing plans (PSDYE). The NSDEPS will assess the feasibility of establishing incentives to large firms to invest in local suppliers’ capacity development as well as effective implementation of government procurement from SMEs. The focus will be set on sectors with already competitive SMEs, including furniture production, agro-processing and ICT products.

2.2. **The Access to Adequate Capital Program**

**Objective**

To ensure Rwandan firms’ have access to adequate capital, ultimately leading to job creation.
Motivation

Access to adequate capital is major concern for Rwandan business, limiting their potential for job creation. As noticed in the Situational Analysis, inadequate access to finance is the leading complaint from business leaders operating in Rwanda. About ~80% of MSMEs report having unmet financial needs and ~40% would welcome additional investment. In parallel, government sponsored loans have sometimes been perceived as grants, not generating lasting impact in businesses. In addition, the start-up toolkit facility, has in the past mainly supported micro survival projects with a limited chance to expand and with a high attrition rate. As highlighted in the situational analysis, building on those lessons learnt, NEP governance organs have resolved to scale up interventions with growth and job creation potential. Thus, some micro interventions, for example start up toolkits have been proposed to be transformed into micro leasing for projects with already products on the market that have binding constraint associated with lack of modern production equipment. The NSDEPS introduces a targeted activity to address these lessons learnt. Thus, the Access to Adequate Capital Program seeks to selected Rwandan firms with growth potential to access to appropriate finance, including leasing of modern equipment, which will ultimately impact on job creation capacity.

75 MSME Finance in Rwanda – Status and Opportunities for Financial Institutions (2017), MicroSave
Interventions supporting access to finance are used widely in many countries, aiming to increase investment, business growth and ultimately employment. For instance, in Kazakhstan, the Kazakhstan Small Business Program (KSBP) successfully encouraged commercial banks to increase funding for small and medium enterprises (SMEs), using a line of credit supported the European Bank for Reconstruction and Development. The KSBP achieved a portfolio growth of 100% annually between 1998 and 2004, with over 90% of newly banked clients and 44,000 loans provided, while effectively managing risks, with only ~1% of the portfolio at risk from 2001 to 2003. The success factors enabling such results include (a) a strong focus on capacity building and transfer of know-how to partnering banks, (b) a simplified approach to lending, minimizing paperwork, (c) a streamlined decision process allowing to provide loans in less than a week and (d) a tight risk control system. In particular, risk control management was reinforced by (i) quality trainings to loan officers, enabling them to realistically assess future business cash flows, (ii) aligned incentives for loan officers, who received a performance-based pay, including the default risk of their direct clients, (iii) a close monitoring of assisted businesses, led by loan officers and (iv) the use of appropriate software to support loan officers. In Botswana, MSMEs were earmarked as important drivers of industrialization and employment creation and subsequently the policy environment was changed to ensure that industrial policy directly addressed the challenges faced by MSMEs. One major outcome of the changing policy environment, included in the New Industrial Development Policy from 1998, was to provide loans to citizen-owned enterprises at subsidised interest rates instead of employing a grant system. In Canada, the Small Business Financing Program is a government initiative that collaborates with financial institutions to make it easier for small businesses to obtain loans from financial institutions by sharing the risk with the lenders. The loans help small businesses finance the cost of purchasing or improving land, purchasing renovations to premises occupied by the business, and equipment purchasing.


Strategic interventions and activities

2.2.1. Facilitate access to relevant financial products for micro, small and medium enterprises

2.2.1.1. Tailor BDF and other public institutions (e.g. SACCOs, BRD, AFR) products to business needs to foster job creation. To achieve this goal, BDF and other lending institutions will need to ensure the sustainability of their funding by focusing on financial indicators. Additionally, job creation metrics will be closely tracked and verified. Then, BDF and others’ offerings will be tailored to their customers’ business needs. These include (a) access to working capital lending, (b) patient start-up capital, (c) affordable interest rates for loans, (d) quasi equity. Each of these needs requires a particular financial product. For example, quasi-equity investments can provide capital
for early-stage start-ups. The NSDEPS will also promote refined products that meet the needs of a particular sector with a special focus on youth and women. This can be based on assessments conducted on financing gaps per priority sector for SMEs to understand the most feasible products.

2.2.1.2. **Support micro leasing for SMEs and Cooperatives**

SMEs are not competitive due to various reasons. It has been shown that one of the key binding constraints to SME productivity is the use of obsolete production equipment. Thus, leasing products to acquire modern equipment will increase the quality and competitiveness of SMEs and promote Made in Rwanda products especially in furniture and textile and garments. Thus, the NSDEPS proposes to direct the scope of the start-up toolkit towards already existing businesses and facilitate them in accessing movable asset financing through a micro leasing scheme. Here, an equipment leasing scheme is proposed to be introduced. In this, the strategy will build on the already on-going efforts of equipment leasing under the Integrated Craft Production Centers (ICPC). It is proposed, to introduce a specialised unit under BDF to deal with the proposed leasing scheme. In addition, the NSDEPS will support upskilling and capacity building interventions for artisans and craftsmen engaged in leasing scheme.

2.2.1.3. **Support access to capital for start-ups graduating from incubation centres.** This strategic activity will build on Pillar 1, strategic activity 1.2.1.6 to support students with promising innovative projects to access business development and financial support. It will be implemented by channelling BDF support, organizing workshops with access to finance providers and directing business advisory services for investor-readiness.

2.3. **High-Quality Business Advisory Services**

**Objective**

To build business capabilities and know-how to foster growth and job creation.

**Motivation**

**Insufficient business know-how is a major obstacle for Rwandan firms’ growth.** Many businesses are replicating rather than innovating, which explains the high attrition rate of SMEs. The current BDA scheme is limited to micro-enterprise level and not able to provide specialized business development support. As highlighted in the situational analysis, the need to focus on BDAs capacity building has been emphasized as part of the NEP mid-term evaluation. Therefore, it is in the interest of the NSDEPS to ensure that BDAs receive continuous and high-quality capacity building support to ensure their professionalisation and competitiveness. In addition, the **High-Quality Business Advisory Services Program** aims to build on on-going efforts by the GoR and create partnerships with existing non-governmental professional advisory service providers to capacitate and spread best practices among high-potential firms in Rwanda. The capacity building element for business development support, will address the capacity constraints that are likely to affect the ease of access to finance.

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76 Ibid.
2.3.1. **Create a performance-based framework to engage the professional business development service providers.** Currently there are scattered efforts of business development support between government, private sector and NGOs. The NSDEPS advocates for partnership with professional business development service providers, which will ensure that business capacity development providers register at RDB and comply with minimum standards. The partnerships will allow RDB to support BDS training via pay-for-results depending on performance of business development indicators. RDB will partner with private training institutions to rapidly disseminate
business best practices to high performing entrepreneurs. Selected businesses can be given the choice on the kind of training (and training provider) that they would benefit from. The implementation of this activity will have positive repercussions on the efforts planned under the Access to Adequate Capital Intervention and specifically benefit BDF beneficiaries.

2.3.1.2. **Continuous Capacity Building and Professionalisation of Proximity BDAs**

The high attrition rate of micro and small enterprises calls for adequate business advisory services at concept and throughout implementation stage. Currently, the BDAs are well positioned given their outreach across the country and the experience they have gained over the NEP period. However, as highlighted above, there is a critical need for their continuous training and professionalisation. Thus, the NSDEPS provides for specialised training to allow BDAs to provide tailor-made high-quality business advisory services. This means, moving away from the current practice of providing general training, towards providing sector and product specific trainings building a pool of technically specialised BDAs for every district. Further to that, it will introduce an accreditation framework, which will help to standardize the services provided by BDAs. This will make BDA services attractive to small and medium enterprises. As part of the professionalisation efforts, the NSDEPS will undertake a review of the BDA reward scheme, taking into account the complexity of specialised business services.

2.3.2. **Provide product development support to micro and small business**

2.3.2.1. **Promote mentorship from successful entrepreneurs and business leaders, potentially via angel investing, leveraging private and social intermediaries.** The NSDEPS will help identify high potential businesses to be mentored and seek to attract and support private and social sector organizations focused on connecting mentors and mentees.

2.3.2.2. **Foster the development of start-up incubator, reinforcing start-ups link to leading institutions nurturing innovation (e.g. KIC, CMU, NIRDA, universities).** RDB will perform an initial assessment of the incubator landscape per priority sector, including both current state and potential for impact. This will be followed by targeted interventions to support high-potential businesses, through incubation facilities. RDB will also convene a series of roundtables to understand and how start-ups can connect to leading academic institutions and highlighting the opportunity for academic institutions to spin-off promising inventions (and talent). In time, guide the institutions with their strategies for commercial spin-offs, e.g., business/science parks that are designed to commercialise promising ideas.

2.3.2.3. **Facilitate access to premises by allowing start-ups to operate in underutilized buildings.** Subsidised rates available to registered high potential start-ups; with start-ups matched to government buildings with a similar focus (e.g., if it’s an agricultural facility, then a digital agri start-up would be given the space)
2.4. Labour Market Analysis Program

Objective
To provide insights on the impact of government policies on employment, informing public decision-making, and tracking the impact of the NSDEPS.

Motivation
The impact of policy on jobs is often hard to grasp and easy to overlook. Beyond skills development and employment promotion, job creation depends on a wide range of factors, including fiscal policy, monetary policy, labour laws, infrastructure, trade agreements and public services provision, among others. Strengthening Labour Market Analysis to inform policies and regulation will support the evaluation of the impact on jobs of major policy changes and provide recommendations to promote quality employment enabling long-term economic transformation. In parallel, it will track progress of the NSDEPS, identify bottlenecks and give strategic recommendations. Furthermore, job creation and quality are not adequately assessed through ought the entire investment journey. This holds in particular to track the number of jobs created by an investment project as compared to the projected number pledged in the business plan during investment registration.
BEST PRACTICES INFORMING PROGRAM 2.4.
Providing insights on employment to inform policy-making

Governments have recognised the need for technology to target the unemployed and improve skills development and job-matching. Through its National Skills Development Policy (2015), India established Labour Market Information System (LMIS) aggregating demand and supply of skilled workforce for matching. The success of the platform, which Rwanda is seeking to emulate, is grounded on (a) following a “modular approach”, integrating all different existing datasets to harmonize data and leverage synergies, (b) being dynamically updated to avoid obsolescence, (c) including specific characteristics of job-seekers and (d) disaggregating data by gender to ensure equity. India’s LMIS is planned to be integrated into a larger National Portal, which will include information on available courses, e-content and trainers for job-seekers and specific information on trainees and unemployed to allow for individual matching, beyond providing aggregate information. The Czech Republic has adopted a competency linking approach whereby qualifications are linked to open jobs. The ‘education and work’ web portal links unemployed job-seekers to educational programs for in-demand skills. The tool links existing vacancy databases to information on training courses, providers, and generic occupation overviews.

Data-driven skills planning

Several countries are now exploiting data with advanced analytics to predict their future skills demand. For instance, Germany’s comprehensive employment forecast is based on an open econometric model that includes an employment trends extrapolation structure supported by qualitative expert ratings and quantitative scenario techniques. Japan uses a multi-sectoral macro model, assessing both supply and demand sides of the market. According to the European Training Foundation (ETF), successful forecasting and skills planning models share the following features: they (a) rely on good quality input data (e.g. from Labour Force Survey, National Accounts etc.), (b) are continuously improved and dynamically refined and (c) are made accessible to a wide range of stakeholders, policy-makers and industry leaders alike, to maximize its impact. Sources: ILO, Nigeria’s Minister of Labour and Employment Inaugurates National Employment Council, 2018. National Observatory of Employment and Training, the Czech Republic, accessed May 2019. European Employment Policy Observatory, the European Commission, accessed May 2019.
Strategic interventions and activities

2.4.1 Strengthening Labour Market Analysis to inform policies and regulation

2.4.1.1. **Analyse the impact of main policy changes on job creation.** The expected job-impact of major policies, focusing on avoiding negative shocks to employment will be evaluated. It will also provide policy recommendations to overcome policy-related constraints holding job creation back. Furthermore, it will assess the job-impact of investment and bilateral projects, providing inputs for negotiations. Importantly, capacity building will be provided for the staff to provide advanced labour market analyses.

2.4.1.2. **Mainstream employment in investment and bilateral project negotiations.** Currently, job creation and quality are not adequately assessed throughout the entire investment journey. The NSDEPS will leverage RDB’s mandate in both skills development and investment to mainstream employment creation throughout all stages of project negotiation and to ensure that job creation potential is given a prominent role and effectively monitored. After an investment project is set up, continuous monitoring of job creation promises vs. actual jobs created will be undertaken.

*Risks and Mitigations Pillar 2*

The following highlight the key risks and planned mitigations for **Pillar 2: Employment Promotion**.

*Table 3: Pillar 2 Risks and Mitigations*

<table>
<thead>
<tr>
<th>Risk</th>
<th>Planned mitigation</th>
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<tbody>
<tr>
<td>Lack of suitable service providers: Several of these initiatives will use other service providers to deliver the required programs, thus creating a risk if the capacity of these service providers is not at a sufficient level.</td>
<td>Use existing relationships and ramp up support to private providers: Pillar 2 largely builds on the existing NEP programming, and there is already a set of providers that support this (e.g., BDF). There are also a number of new private sector entrants that are supporting SMEs in Rwanda, can be incentivised to invest further through a relationship under NSDEPS. Finally, where there are specific capacity gaps, the Delivery Unit can support the identification and closing of these gaps.</td>
</tr>
</tbody>
</table>
### Risk

| **Donor mentality amongst businesses:** Providing lower cost finance or free business support services can distort the market for paid services, and/or reduce the value placed by businesses of this support. |
| **Planned mitigation:** Cost-share and shift towards sustainable models: Where possible, businesses will pay towards the cost of the support they receive, to reduce this risk. There is also a shift of focus towards sustainable products – for example creating products suitable for a particular business need and sector, rather than just disbursing low-cost finance. |

| **High turnover of supported businesses:** SMEs have a high failure rate; and so, tracking results can be challenging. The same entrepreneur may also then be supported multiple times, for different businesses. |
| **Stronger M&E capability:** There will be central records of every business and entrepreneur supported; to allow for the impact to be seen for those supported by multiple programs, and immediate results to be tracked. The strategy provides interventions specialised business advisory services and tailor-made products to address SME bottlenecks. |

| **Lack of data on jobs for labour market analysis:** The impact of policy on job creation, and how policy can be optimised for this result will be analysed. Given the lack of data on this topic this will be challenging. |
| **Highlight data gaps and ensure caveats on the insight:** Investing in this capability should bring job creation to the top of the agenda and allow for the analysis (on job impact) to be improved over time, especially as results for prior analyses become evident. |

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### Pillar 3: Matching

**Strategic framework**

The NSDEPS will prioritize an active and Evidence Based Workforce Planning and Matching between skills supply and demand, informing skills development strategies. To do so, it considers the matching as a complex system governed by employers’ perspectives, jobseekers’ perspectives, linkage mechanisms, incentives and feedback loops.

The NSDEPS prioritizes four actionable programs: The Evidence Based Workforce Planning and Matching [3.1], Strengthened Employment Services and Career Guidance Program [3.2], Graduate labour market transition program [3.3] and the Global Talent and Opportunities Program [3.4]. The framework below summarizes the system approach to matching.
Programs for Pillar 3: Matching skills supply and demand

Pillar 3 will prioritize an active and evidence-based workforce planning between skills supply and demand, informing skills development strategies. It will enhance feedback loops between skills supply and demand, improve decision-makers' understanding of employees and employers' perspectives, promote active linkages and align matching incentives.

3.1. Evidence-based workforce planning and matching

Objective
To collect and exploit data to guide decision making, reduce labour market frictions and address information asymmetries

Motivation
Lacking information on existing skills imposes a burden on companies, in terms of time and cost, to recruit new employees, while job-seekers are unaware of opportunities. Beyond missing job opportunities, students and job-seekers lack information on broader career pathways that could inform their skills development decisions. Currently, there is a lack of available data on the skills landscape – both demand and supply of labour – in the country. Whilst an initial effort has been launched by NEP, there is room for improvement as outlined in the situational analysis above. The National HRD Strategy 2018, has also identified the need to “estimate manpower demands by industry sector, especially in strategic industry sectors according to national economic development plans” (p.64). The Evidence Based Workforce Planning and Matching Program will tackle this issue and aim to support addressing information asymmetries by leveraging data and data-driven techniques.
Strategic interventions and activities:

3.1.1. Further develop and integrate existing labour market information systems

RDB will collate information on supply-side in terms of graduates, and on demand-side from its SME programs and investment promotion work. The current system relies on secondary data and has identified many gaps in data collection which inhibit its performance. The LMIS should act as the central source of information on the labour market and therefore requires improved data collection efforts by the various institutions. The LMIS needs to be upgraded and fully functioning to allow for evidence-based planning and policy-making.

**BEST PRACTICES INFORMING PROGRAM 3.1.**

*Evidence based workforce planning*

Governments have recognised the need for technology to target the unemployed and improve skills development and job-matching. Through its National Skills Development Policy (2015), India established Labour Market Information System (LMIS) aggregating demand and supply of skilled workforce for matching. The success of the platform, which Rwanda is seeking to emulate, is grounded on (a) following a “modular approach”, integrating all different existing datasets to harmonize data and leverage synergies, (b) being dynamically updated to avoid obsolescence, (c) including specific characteristics of job-seekers and (d) disaggregating data by gender to ensure equity. India’s LMIS is planned to be integrated into a larger National Portal, which will include information on available courses, e-content and trainers for job-seekers and specific information on trainees and unemployed to allow for individual matching, beyond providing aggregate information. The Czech Republic has adopted a competency linking approach whereby qualifications are linked to open jobs. The ‘education and work’ web portal links unemployed job-seekers to educational programs for in-demand skills. The tool links existing vacancy databases to information on training courses, providers, and generic occupation overviews.

*Data-driven skills planning*

Several countries are now exploiting data with advanced analytics to predict their future skills demand. For instance, Germany’s comprehensive employment forecast is based on an open econometric model that includes an employment trends extrapolation structure supported by qualitative expert ratings and quantitative scenario techniques. Japan uses a multi-sectoral macro model, assessing both supply and demand sides of the market. According to the European Training Foundation (ETF), successful forecasting and skills planning models share the following features: they (a) rely on good quality input data (e.g. from Labour Force Survey, National Accounts etc.), (b) are continuously improved and dynamically refined and (c) are made accessible to a wide range of stakeholders, policy-makers and industry leaders alike, to maximize its impact.

*Sources:* National Policy for Skill Development and Entrepreneurship 2015, India, Ministry of Skill Development and Entrepreneurship. Skills Forecasts, ETF, 2017
key ingredient for any functioning LMIS is the integration of many different data sources (internal and external) collected from both public institutions and the private sector, into one comprehensive and usable database or set of linked databases. All of this implies the need for information flows between the different institutions and other entities that input information into an LMIS and necessitates coordination and data-sharing. Such data-sharing across the various institutions is crucial to the successful establishment of a well-functioning LMIS.

The LMIS will provide insight on key trends and issues in the labour market, and RDB can leverage the findings from the data to inform the design of tailored programs in the skills development and employment promotion ecosystem.

3.1.1.1. **Integrate existing talent databases and link employers and job seekers.** The NSDEPS will leverage existing datasets (e.g. National Skills Database, TVET graduates record, Job Portal) to create a single source, potentially partnering with private companies and other institutions. This will allow employment service providers to actively match jobseekers and employers, which will reduce the costs, in terms of time and money, for employers to recruit workers. Thus, information on skills demand, job opportunities and highly demanded occupations will be availed through the upgraded LMIS.

3.1.1.2. **Undertake labour market demand analysis and develop an employment and skills development dashboard.** The NSDEPS will leverage on data from the updated LMIS and other sources of work and employment related statistics to analyse trends in employment opportunities and inform the national skill development agenda and support the sector-specific development strategies.

To improve the evidence-base for decision making, the NSDEPS will analyse existing survey tools (Labour Force Survey, Integrated Business Enterprise Survey) to explore additional information to be collected through these tools for a more comprehensive data on employment trends. For ease of access and compilation data, will be included in the form of a dashboard, which will allow a one-stop view of all relevant key labour market indicators performance.

3.2. **Strengthening Employment Services and Career Guidance Program**

**Objective**
To promote active linkages between skills’ supply and demand, fostering employment and career guidance services and engaging private sector matching.

**Motivation**

**Less than 5% of unemployed Rwandan use employment services or online tools to seek for employment.** Similarly, less than 2% of recent TVET and Higher Education graduates report finding their first job thanks to the career guidance of their institutions. Furthermore, while companies struggle finding talent, thousands of qualified workers struggle finding employment. The Strengthening Employment Services and Career Guidance Program will tackle this issue by improving employment and career guidance services, building partnerships with private matching providers and revamping the internship program.
Strategic interventions and activities

3.2.1. Strengthen public employment services and career guidance

This intervention will capacitate employment and career guidance services to become a key tool for job-seekers. Importantly, matching has to be deeply integrated with work readiness training, to ensure the provision of market-relevant skills.

3.2.1.1. Provide technical support to public employment and career services. Only 2% of students find their first job through formal career services (Tracer Survey 2018). There are currently three public employment service centres. However, the capacity of the staff and the outreach to surrounding private sector remains limited. Thus, there is a
need for professionalisation of public employment service centres through supporting them in identifying market opportunities and actively approach employers. Furthermore, employment service centres will be capacitated to leverage online tools for job searching. Currently career services are offered in training institutions, including secondary schools, colleges and universities. However, there are not yet available in all schools, and often the career counsellors are not well versed with the labour market requirements and trends. This limits their ability to advise the students in making career choices. The NSDEPS will advocate for a wider roll-out of career services in training institutions as well as their professionalisation. The latter can include pairing counsellors with private sector practitioners (linked to Strategic intervention 1.2.1) for a stronger link to labour market realities.

3.2.1.2. **Build alumni networks and organize career fairs with employers, with the technical support of career guidance services.** Alumni networks can play a critical role in labour market transition of graduates and tracking their employability status. These networks can also inform their members of existing career opportunities, provide internal coaching and support over the job-seeking process. In addition, they can also increase linkages with industries through leveraging on alumni, who are active in the private sector. However, currently they are not exploited to their fullest potential, with only a limited number of universities having vibrant networks. The NSDEPS will advocate to strengthen existing and establish formal Alumni Networks starting with universities. This will include an information campaign to sensitise the respective career services and Academic Registrar Offices to leverage existing online tools, such as LinkedIn, to establish such networks that connect professionals and allow universities to understand the employment journeys of their former students.

3.2.2. **Build strategic partnerships with private matching providers**

3.2.2.1. **Initiate a pilot on performance-based funding for private active matching providers.** There are a number of private employment service providers in the space of matching jobseekers to employment opportunities, these include private employment agencies, social enterprises and upskilling providers. Some of these providers have produced promising results. As a route to scale these programs, the NSDEPS proposes to partner with strategic private sector matching providers to make job opportunities available to job seekers and potential employee profiles to employers. Under these partnerships, a performance-based funding scheme will be initiated, based on first job-seeker placement success. If the pilots are successful, the intervention will be upscaled through calls for proposals open to other providers in the market. In addition, the partnership with these private active matching providers, will be explored to provide upskilling interventions to graduates, in order to address the gap in transversal skills of graduates. This is already being done by existing Matching Providers, for example under the Mastercard Foundation financed Hanga Ahazaza Programme referenced in section II.4.2, but there is a potential for expansion and upscaling.
3.3. Graduate Labour Market Transition Program

Objective
To build market-relevant skills among the youth and help firms and institutions identify and test suitable talent.

Motivation
Rwandan businesses and youth are currently not making the most of the national internship program. Current placement rates, below 60%, signal the need of restructuring the internship program. This can be attributed to insufficient private sector involvement in the program, with the public sector taking the lead. In addition, matching between interns and employers could greatly improve through upgrading existing IT tools. Monitoring is not performed closely enough as to ensure effective supervision and coaching of the interns in market relevant skills aligned to the academic disciplines. The lack of guidance on what constitutes good work habits and attitudes, such as turning up on time, using every assignment to learn, being proactive, not having an entitlement mentality, etc., often leads to the internship not leading to the expected skills development. Thus, there is a need for stronger guidance and support for the internship team to provide to prospective interns and employers. However, currently the internship program team lacks the technical support and resource to solve these issues. The NSDEPS proposes a number of strategic interventions and activities to address the above outlined challenges with regards to the national internship programme.

In addition, some Government Institutions have started initiating a Young Professional Program (YPP) as a way of building a pipeline of professionals to close the skills gaps in the sector. This program is open to best-performing university graduates with a high chance to be formally employed after completion of the program. During the YPP the graduates are attached to senior Government Officials for close mentorship. However, currently the program is not harmonised and well-coordinated between the implementing institutions. The NSDEPS will propose targeted interventions and activities to streamline and scale up the Young Professional Program.
**BEST PRACTICES INFORMING PROGRAM 3.3.**

*Leveraging internships to build skills and match business needs*

**Internships and temporary placements can provide market-relevant skills and experience while responding to business demands. Mauritius** has fostered on-the-job learning through three complementary programs. First, *The Youth Employment Program* (YEP) places youth in organizations for an initial period of one year to enable them to acquire on-the-job training. The YEP provides a subsidy, up to 50%, on the stipend paid to the youth during the first placement year. This incentivizes firms to hire interns, as the subsidy reduces its financial burden. Registered employers can either recruit or access a national database to identify young candidates fulfilling their needs. The YEP is implemented by a joint public-private initiative called the Skills Working Group (SWG). In 2017, 95% of interns had obtained a permanent job after spending a full year acquiring skills in the industry. Close monitoring is a key success factor of the YEP, as the SWG makes frequent visits to the workplaces, without notice and checking relevant documentation and outputs, to ensure interns are working under sufficient supervision and with the appropriate equipment and are acquiring market-relevant skills. Additionally, employers are required to send SWG an individual report assessment for each intern every 6 months and must participate in an annual survey on YEP. Critically, employers accepting more than 10 interns a year need to hire at least 50% of them to keep participating in YEP. Secondly, *The Dual Training Program* (DTP) offers unemployed individuals the opportunity to pursue a course with a tertiary institution in critical areas for the labour market, also ensuring a placement in a private sector firm. This success factor helps that beneficiaries acquire market-relevant skills, pairing training with employment. Thirdly, the *Back to Work Program* (BTWP), targets women above 30 years old to help them returning to employment. The Program ensures a work placement for an initial period of six months, after which they may be fully hired. During the placement period, beneficiaries get a monthly stipend and can be trained by a registered institution.

*Sources:* Mauritius’ Ministry of Labour, Industrial Relations, Employment and Training, 2015.
Youth Employment Programme (YEP) : emplois permanents pour 95% de stagiaires, Defimedia.info, 2017.

Strategic interventions and activities

3.3.1. Revise the public and private sector internship program with a focus on employability and skills development.

3.3.1.1. **Strengthen capacity of internship program management and professionalise internship program.** Currently the internship program is managed by a small team in relation to the scope of the program. The operational nature of the activities requires appropriate IT tools for smooth management. The NSDEPS proposes to upgrade existing internship online tools, to facilitate daily operations of the program. This can include development of applications or other intuitive tools that facilitate communication between hosting institutions, interns and program managers. In addition, the internship team will be capacitated and expanded to accommodate the growing demand from both graduates and employers for the program. To address the challenge of interns often performing “clerical tasks”, the NSDEPS proposes to
strengthen the preparation and continuous follow-up of interns and employers throughout the internship. This includes a review of the current internship guidelines and a clear communication of the key requirements for a good internship for both employers and interns to take into account. This can be done through a joint session between potential employers (HR or focal point) and interns on a regular basis. These sessions will be organised on an open-day based format, which allows to engage interns before and during their internship for feedback, following up with challenges and supporting interns and employers to make the internship a success for both sides.

3.3.1.2. **Increase the uptake of interns in the private sector and large government projects.** Limited uptake of private sector of interns, remains a challenge to expand the program to more beneficiaries. As an incentive for participation, selected employers can be supported in designing their internship program, defining interns’ responsibilities, tracking results and sharing best practices. Furthermore, private sector firms can be incentivised to host interns, through initiatives such as 1) recognition of companies with a high uptake of interns and best practices in mentorship (Labour Day company recognition, RDB Business Excellence Award); 2) Sharing insights of graduate profiles of relevance to companies, 3) Tailored placement services, where RDB leverages on the partnerships with private matching providers to screen and interview the interns ahead of proposing them to companies. Currently large government projects do not provide for internships and skills transfer. There are on-going efforts to include such provisions in the design of transport infrastructure projects in collaboration with RTDA. The NSDEPS will advocate and provide support to mainstream internship and skills transfer in these projects to provide learning opportunities to the youth and build a pool of skilled workers in the sector.

3.3.1.3. **Monitor the internship program’s employment outcomes and identify success factors and critical issues.** Currently monitoring is not performed closely enough as to ensure effective supervision and coaching of the interns in market relevant skills aligned to the academic disciplines. The NSDEPS will strengthen the capacity of the internship team for on-going monitoring and regular impact evaluation of the internship outcomes in terms of employment and quality of jobs.

3.3.2. **Coordination and Institutionalisation of Young Professional Program (YPP)**

3.3.2.1. **Streamline and scale YPP across Government Institutions.** Currently the YPP is not harmonised and well-coordinated between the implementing institutions. The NSDEPS will expand the YPP across all government institutions in priority sectors. Joint guidelines for the selection mechanism, structure of the program and harmonised remuneration of the beneficiaries of the program will be developed. This program will be spearheaded by RDB in collaboration with MIFOTRA.

**3.4. Global Talent and Opportunities Program**

**Objective**

To facilitate and incentivise external and diaspora talent to fill national skills gaps and grow new businesses in Rwanda.
Motivation

Rwanda’s ambitious vision for economic transformation requires a rapid surge in critical skills that will take time to develop. Three opportunities to supply those skills are currently not fully exploited. First, Rwandan and African diaspora willing to come back often lack information and support to benefit from existing opportunities. For example, the scholarship unit within BRD currently interacts with the students, who study on a scholarship abroad, for scholarship administrative matters. There is a need to explore and establish continuous channels of communication as well as providing information on employment opportunities to students throughout their studies and after graduation. Second, foreign talent could further be attracted, leveraging Rwanda’s competitive advantages in the region, in terms of high growth, good governance and security. Third, foreign employment and study opportunities for local talent could help to rapidly acquire critical skills in key priority sectors as well as address the employment challenge. The Global Talent and Opportunity Program proposed in this strategy will tap into these global opportunities to close Rwanda’s skills’ gap.

BEST PRACTICES INFORMING PROGRAM 3.4. Attracting the diaspora

Actively supporting the diaspora to return home can provide critical skills for economic transformation. In Nigeria, The Global Database of Nigerians in Diaspora collects information on the skills of Nigerians abroad in order to enhance the development of the public and private sector. This database can be used by the Government of Nigeria when looking for skills outside the country. Furthermore, it provides information on the profession, skills, country of residence, state of origin and expertise of Nigerian diaspora. Nigerian diaspora can easily register into the database online, without any approval process, and directly upload their information themselves. Additionally, the network organises events in both foreign countries and Nigeria for diaspora to meet and learn about home opportunities. High-level support is a key success factor, as the Presidency has endorsed the project, labelling it as a “reference global databank”. In Kenya, the private executive recruitment agency Kenyans Come Home links businesses in Kenya and across East Africa to diaspora professionals around the world. Potential returnees upload their profiles while companies can advertise job opportunities, which are publicised in the website and are sent via email to suitable candidates. Over half of the company’s placements have international experience. The value proposition of Kenyans Come Home for hiring companies is based on a four-step process: (a) first the organization advises on the best search strategy, (b) then it source candidates leveraging its internal database and online tools, (c) screens and pre-select the best candidates and (d) support the offer management process.


Strategic interventions and activities

3.4.1. Attract external and Rwandan Diaspora talent for skills transfer
**Attracting external top talent would facilitate exponential growth of high-value sub-sectors.** High-skilled workers, either foreigners or from the Rwandan and African diaspora, would attract capital investments, raise general productivity and grow local talent through transfer of knowledge.

**Develop a joint database of Rwandan diaspora talents.** There are on-going efforts by several government institutions to map the diaspora talent. This includes MINIYOUTH, MINAFFET and RDB. There are also active Diaspora Associations in the US and Europe. This activity will be implemented in joint collaboration with HEC and BRD. In this, the NSDEPS proposes to capitalise on the current BRD scholarship database for data on Rwandans studying abroad. As highlighted above, this database has all relevant information on students, who study abroad as part of a Government scholarship programme. However, there is the potential to further utilize this information for a continuous dialogue with these students throughout their studies and to inform them about possible employment opportunities. Specifically, with regards to the challenge of following-up with students after graduation, the NSDEPS proposes a strong involvement of Missions abroad for effective outreach. To ensure institutional ownership and continuity of follow up, the NSDEPS proposes to nominate a contact person at HEC, who can engage in continuous dialogue with diaspora students and coordinate with relevant stakeholders and Missions abroad. In addition, existing fora such as “Rwanda Day” and “YouthConnekt Europe” will be leveraged for communication to Rwandans abroad.

Overall, the NSDEPS will advocate to harmonise the diaspora mapping initiatives into a joint database, which will facilitate to find scarce talent and, upon voluntary registration, allow firms and institutions to contact Rwandans abroad willing to return to the country. The database will also aim to include those students, who study abroad through self-financing and are thus not captured under the BRD scholarship database. Furthermore, the joint database will enable the establishment of connections between Rwandans in country and abroad for mentorship with prominent practitioners abroad. Furthermore, as part of diaspora outreaching efforts, contact can also be followed up with long term diaspora, who may be willing to contribute whilst remaining in their foreign countries. Potential areas of contribution may include among others:

- Transfer the latest know how and cutting-edge technologies
- Work with HLIs in joint research
- Invest in Education at various levels (schools, equipment, textbooks, ICT Facilities)

**3.4.1.1. Support Rwanda’s diaspora by providing career services, information and other support.** One of the challenges the diaspora faces when they return to Rwanda, is the support to integrate in the labour market. The NSDEPS will establish RDB as a central placement and information agency to provide information on employment opportunities for Rwandan diaspora.
3.4.2. Plan for relevant scholarships to support future skills development

3.4.2.1. Provide scholarships for rare and critical skills in strategic sub-sectors. Skills in the priority sectors, as identified by sector skills assessments as ‘rare and critical’, will be eligible for scholarships funded through existing schemes under HEC. The NSDEPS will advocate to review the conditions under which the scholarships are awarded to include innovative conditions on returning to Rwanda after graduation based on best practices.

3.4.3. Improve access to regional and global opportunities

The intervention seeks to enhance access to foreign opportunities to broaden employment opportunities and build skills. The long-term aim of the intervention is to attract emigrated workers, after being upskilled and having gained international experience.

3.4.3.1. Negotiate bilateral agreements with high-income countries experiencing workforce shortages to unleash employment opportunities for Rwandans. This would be through Rwandan missions overseas and through diplomatic engagement, supported by RDB. After a certain period of time, workers could be requested to come back to Rwanda to transfer acquired skills. To achieve this, Rwanda shall agree on MoUs with developed countries limiting the time period for emigration (e.g. five years).

3.4.3.2. Mapping employment opportunities in regional and international organisations and support application and dissemination process. Currently Rwanda is doing well in terms of representation of Rwandans in UN Peacekeeping missions. However, Rwandan’s representation in UN civil agencies and other international organisations remains limited. The NSDEPS will advocate for continuous communication of these job opportunities through employment service providers and provide support to application processes.

Risks and Mitigations Pillar 3

The following highlight the key risks and planned mitigations for Pillar 3: Matching.
<table>
<thead>
<tr>
<th>Risk</th>
<th>Planned mitigation</th>
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<tbody>
<tr>
<td>Little reliable data for LMIS: The current state of labour market data in Rwanda is relatively light compared to other African countries (see Situational Analysis section). Little reliable data could result in the insights generated being too generic and high level to support decision making. However, given Rwanda’s level of institutional coordination, shift to digital technology and relatively smaller population compared to other markets, they are well positioned to lead other countries and to make a data-centric approach, their own competitive advantage.</td>
<td>Stage-gate the delivery of insight: The approach for LMIS is detailed under the ‘Evidence Based Workforce Planning and Matching program’. Initial investments will be required to make the LMIS a usable asset, and then this program is designed to complement other programs within the strategy, to demonstrate its effectiveness (e.g., National Training Excellence Program, Market-led Education Initiative, Jobs Analysis Office). As the proof of concept becomes clear, the LMIS is designed to be modular to bring on new datasets and other layers (e.g., geolocation or satellite), to continually improve.</td>
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<tr>
<td>Database is unsuitable for employers: The essence of the investment in labour data is to make the tool more valuable to employers to find and attract the talent that they need. If it is not aligned to employer’s needs, then a core part of its value may be eroded.</td>
<td>Close alignment with employers during the design phase: The Evidence Based Workforce Planning and Matching program will need to undergo detailed design using a process closely aligned to employer’s needs; and may also benefit from being delivered in conjunction with the private sector (e.g., a PPP scheme). Close alignment with employers during the design phase, to support a shift in mindset: Selected major employers will be supported to design their own internship program, rather than a program mandated by government. The key aim of this will be to shift mindset from provision of internships being a social responsibility, to internships being a vital tool for the employer to attract and identify talent.</td>
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<tr>
<td>Graduate labour market transition program link to private sector delivery needs</td>
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</table>
IV. Impact-driven Monitoring & Evaluation

The list of monitoring and evaluation output KPIs per program are listed in Annex II. Below are the outcome indicators for each program. Roles and responsibilities for each institution are listed in the Governance section. The institution ‘leading’ each program is responsible for tracking the relevant output and outcome KPIs.

The NSDEPS takes an overarching view of M&E, regularly taking stock of what is working and what is not; and considering the need for new and improved interventions. This regular review could be in the form of a regular (e.g., annual) ‘Learning Event’, where insights are presented, and new ideas reviewed in a workshop. As outlined in the Governance Section, there will be a dedicated M&E delivery unit to ensure smooth implementation of the NSDEPS.

M&E should be conducted for the purposes of monitoring results and impact not just reporting. The aim is for greater impact, thus the focus on the outcome metrics. The purpose of M&E is not just to prove an update to stakeholders; but is to allow for learning and insight to be captured, and the strategic focus refined throughout the five-year strategy.

Figure 15: Summary M&E per Program

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Expected Outcome</th>
<th>Indicator to Track outcome</th>
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</thead>
<tbody>
<tr>
<td>Pillar 1: Skills Development</td>
<td>Programme 1.1: National Training and Education Excellence Program</td>
<td>1.1.1. Students learning outcomes in core subjects of TVET and Higher Education</td>
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<td></td>
<td>1.1.2: Performance-based financing in place for TVET and higher education</td>
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<td></td>
<td>1.1.3: Number of TVET and HLIs with fully functioning Quality Assurance System</td>
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<td></td>
<td>1.1.4: % of HLIs &amp; TVET supported with adequate Demonstration Centers, Laboratory Equipment and materials to support practical outcome-oriented learning</td>
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<td></td>
<td>Programme 1.2: Market-led Education Initiative</td>
<td>1.2.1: % of employers satisfied with TVET graduates</td>
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<td>1.2: Increased access on TVET and HEI programmes that are responsive to both labour market needs and the social and economic development of Rwanda</td>
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<td>Pillar</td>
<td>Expected Outcome</td>
<td>Indicator to Track outcome</td>
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<td></td>
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<td>1.2.2. % of TVET graduates employed within 6 months of graduation (female/male)</td>
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<td>1.2.3. % of employers satisfied with HEI graduates</td>
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<td>1.2.4. % of HEI graduates employed within 6 months of graduation (female/male)</td>
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<tr>
<td>Programme 1.3: Capacity Development</td>
<td></td>
<td>1.3.1: Strengthened private sector capacity through targeted firm level support</td>
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<td>1.3.1.1: % of private sector entities supported to implement priority value chains capacity development to generate employment and incomes</td>
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<td>1.3.2: Strengthened public sector capacity through accountability</td>
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<td>1.3.2.1: % public servants supported to increase service delivery</td>
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<td>Pillar 2: Employment Promotion</td>
<td>Programme 2.1 Access to Markets</td>
<td>2.1.1: Improved access to Markets for micro, small and large enterprises</td>
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<td></td>
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<td>2.1.1.1: Annual exports growth: (change in export market share of goods and services /real growth of exports /competitiveness effect/demand effect)</td>
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<td>2.1.1.2: Manufacturing share of total exports</td>
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<td>2.1.1.3: Services share of total exports</td>
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<td>2.1.1.3: % of business/companies participating in e-commerce</td>
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<td>Programme 2.2 &amp; Programme 2.3: Access to Finance and services</td>
<td>2.2.1: Increased access to finance and business development services</td>
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<td></td>
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<td>2.2.1. Credit to SMEs as share of GDP</td>
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<td>2.2.2: Productive Jobs created by MSMEs supported to access Banks, MIFIs and SACCos credit</td>
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<td>Pillar</td>
<td>Expected Outcome</td>
<td>Indicator to Track outcome</td>
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<td>2.2.3: supported MSMEs Productivity level</td>
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<td><strong>Programme 2.4. Labour Analysis</strong></td>
<td></td>
<td>2.4.1.1 Number of employment opportunities created by bilateral projects</td>
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<tr>
<td>2.4.1 Improved employment mainstreaming in investment and bilateral projects</td>
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<td>2.4.1.1. Number of employment opportunities created by bilateral projects</td>
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<td><strong>Pillar 3: Matching</strong></td>
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<tr>
<td><strong>Programme 3.1. Evidence-based workforce planning and matching</strong></td>
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<tr>
<td>3.1.1: Improved access to evidence-based information on skills demand and supply</td>
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<td>3.1.1.1: Availability of upgraded LMIS</td>
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<tr>
<td></td>
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<td>3.1.1.1. Annual skills demand report with labour market insights</td>
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<tr>
<td><strong>Programme 3.2 Strengthening Employment Services and Career Guidance</strong></td>
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<tr>
<td>3.2.1: Improved access on labour Market Information and employment services</td>
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<td>3.2.1.1: % of graduates who access labour market information and employment services</td>
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<tr>
<td></td>
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<td>3.2.1.2: Employability level of beneficiaries of employment services</td>
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<td><strong>3.3. Graduate labour market transition programme</strong></td>
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<tr>
<td>3.3.1: Improved employability skills for university graduates and young professionals</td>
<td></td>
<td>3.3.1.1: % of Graduates from TVET and HLIs employed after 6 months of professional internship training (female/male)</td>
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<tr>
<td></td>
<td></td>
<td>3.3.1.2: % of Young professionals with permanent employment after YPP</td>
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<tr>
<td><strong>3.4. Global Talent and Employment Opportunities Program</strong></td>
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<tr>
<td>3.4.1: Increased availability of critical and rare skills in the high priority sectors</td>
<td></td>
<td>3.4.1.1: % of skilled people (qualified and experienced) with critical and rare skills in the high priority sectors</td>
</tr>
<tr>
<td>3.4.2: Improved future skills forecasts and analysis of labour market needs</td>
<td></td>
<td>3.4.2.1: % of skilled and talented workforce in priority sectors</td>
</tr>
<tr>
<td>3.4.3: Increased access to regional and global employment opportunities in high priority sectors</td>
<td></td>
<td>3.4.3.1: % of TVET and HLIs accessed regional and global employment opportunities</td>
</tr>
</tbody>
</table>
V. Effective Governance and institutional arrangements

Effective governance and institutional coordination will be critical to the success of the NSDEPS in driving the programs in skills development and employment promotion. The NSDEPS will be implemented by various stakeholders in the skills development and employment ecosystem. This section builds on the experience of on-going and past strategies and aims at addressing lessons learnt through a thorough governance structure. The effectiveness of the institutional arrangements proposed will mitigate the implementation challenges and risks that the strategy might face (see “risks and mitigations” section under each Pillar for more details)

V.1. Governance Best Practices and Lessons Learnt

The NSDEPS comes as a follow-on to the National Employment Program (NEP) and brings together a large number of initiatives and interventions aimed at skills development and employment promotion. Thus, in its governance structure there is need to consider the current existing framework under NEP, but also refer to other key guiding strategies that guide policy makers and practitioners in the field. The policies and strategies that were analysed included: National Strategy for Transformation (NST 1), Private Sector Development and Youth Employment Strategy (PSDYE) and National Capacity Development Policy. From the review of these strategies and consultations of key stakeholders engaged in their implementation the following best practices were identified:

- There must be a close link to guiding national strategies and related sectors (i.e. NST 1 and PSDYE sector)
- High level (Ministerial) involvement is key for effective problem-solving and strategic guidance
- The sector working groups have proven to be a successful vehicle for stakeholder involvement and resource mobilization from DPs
- Technical Working groups that are fully empowered to follow up with stakeholders on implementation, have proven to be effective

These best practices have proven to ensure smooth implementation and shall thus be included in the implementation arrangements of this strategy. In addition, a review of challenges and lessons learnt of the above-mentioned strategies has been conducted and three main areas for improvement were identified. The table below highlights the proposed ways of addressing them in the NSDEPS.

<table>
<thead>
<tr>
<th>Lessons learnt</th>
<th>How will it be addressed in NSDEPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The requirement of taking decisions to Ministerial level leads to a long decision-making process</td>
<td>Delegating some of the responsibilities to PS level for swifter and more agile decision making. Ministerial level to only meet twice a year.</td>
</tr>
</tbody>
</table>
Decentralization of the M&E system, where each lead institution is responsible for their own M&E, can lead to a lack of rigour in this area. A centralized M&E system is proposed, where lead institutions report and close follow up is conducted by coordinating M&E Delivery Unit based at RDB. NEP M&E System is to be upgraded and made accessible for reporting institutions.

There have been conflicting priorities by lead institutions; and a significant amount of effort in following up with institutions for reporting and monitoring. Continue to reflect joint NSDEPS targets in institutional level Imihigo; and strengthen governance structure.

V.2. Institutional arrangements

The NSDEPS complements NST 1 and PSDYE Sector Strategy and builds on existing platforms in its implementation. The main interventions related to NST1 implemented under the PSDYE sector, will be coordinated through the respective Sector and Sub-Sector Working Groups. RDB, who is the owner of this strategy, will be Chairing and actively participating in these working groups. Building on best practices and lessons learnt from other strategies, this strategy proposes four levels of implementation.

1. Ministerial Level National Steering Committee: This Committee meets twice a year to approve plans; provide strategic guidance; confirm critical decisions recommended by the High Technical Team and commit resources where required.

2. High level Technical team: Composed of PSs (incl. RDB CSO) and chaired by PS MIFOTRA. Meets quarterly to review plans and implementation progress; take immediate decision making for matters that don’t require Steering Committee attention; and provides recommendations to the National Steering Committee.

3. Cross-Institutional Technical Team: Includes specialists from key implementing institutions, who are primarily responsible for delivery of their organisation’s plans, laid out in NSDEPS. Meets monthly.

4. Implementation and M&E Delivery Unit: Dedicated unit for strategy implementation based at RDB and reporting to CSO. Sources and packages information from cross-institutional technical team, tackles day-to-day operational issues and tracks implementation progress. It will drive effective implementation through supporting institutions to develop implementation plans.

The stakeholders, which shall be represented in each of the above levels of implementation are the Pillar lead institutions (MINEDUC, MINICOM and RDB) as well as program leads.

- MINEDUC: MINEDUC is responsible for formal education and training and plays a leadership role in overseeing human capital development. In the context of NSDEPS, MINEDUC will drive the implementation of high-quality and market-led, post-formal education initiatives.

- MINICOM: Chairs the sector working group on private sector development and youth employment and is involved in various initiatives aimed at SME promotion. In the
context of the NSDEPS, MINICOM will oversee the implementation of Pillar 2 related programs aiming at employment promotion.

- **RDB**: Drives the implementation of the NSDEPS through the dedicated Implementation and M&E Delivery Unit. With its strategic location at the interface of public and private sector, RDB will specifically play a role in supporting companies to address skills gaps in the immediate and longer-term through specified interventions.

To address past experiences and improve on existing implementation arrangements under NEP, the NSDEPS proposes the following innovations:

- Include an **advisory board** to guide implementing institutions: The advisory board includes representatives of PSF, senior business leaders, Research Institutions and Think Tanks (IPAR, UR), Development Partners, National Council for Science and Technology as well as lead representatives from GACU and SPU OTP. It meets quarterly to provide guidance and support on how to close bottlenecks and fast-track implementation.

- Introduce a **dedicated implementation and M&E delivery unit** for implementation tracking: The current decentralised M&E approach, has faced challenges in ensuring coherent reporting and monitoring of NEP implementation. The strategy thus proposes to introduce a dedicated unit within RDB that focuses on M&E day-to-day activities. This includes the upgrading and improvement of the existing M&E online dashboard to make it user-friendly and accessible by lead implementing institutions and be ready to address any challenges from the users as they arise.

*Figure 16: NSDEPS governance structure*

Implementing teams and supporting bodies will *work closely*...

... fulfilling *clear responsibilities* towards each other

1. SteerCo approves *strategic guidelines* for High-level technical team, which identifies critical *issues and recommendations* for SteerCo
2. High-level technical team provides *guidance and approval* to Cross-Ministerial Technical team, which raises *issues and bottlenecks*
3. Cross-Ministerial Technical team for NSDEPS ensures *coordination* with the PSDYE working group, for strategic coherence
4. Delivery Unit provides *intelligence and recommendations* to the Cross-Ministerial Technical team, which provides implementation *updates*
5. Delivery Unit provides *intelligence and recommendations* to High Technical team, which provides implementation *guidelines*
6. Advisory Board provides *strategic insights* to High-level technical team, which provides *intelligence and critical issues*
7. Advisory Board provides *strategic insights* to SteerCo, which can consult the Board on *strategic alternatives*
Figure 17: Stakeholders involved in each pillar

<table>
<thead>
<tr>
<th>Pillar 1: Skills Development</th>
<th>Pillar 2: Employment Promotion</th>
<th>Pillar 3: Matching</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ UR</td>
<td>➢ RDB</td>
<td>➢ RISA</td>
</tr>
<tr>
<td>➢ RP</td>
<td>➢ RSB</td>
<td>➢ MICT</td>
</tr>
<tr>
<td>➢ REB</td>
<td>➢ NAEB</td>
<td>➢ PSF</td>
</tr>
<tr>
<td>➢ HEC</td>
<td>➢ RAB</td>
<td>➢ RSSB</td>
</tr>
<tr>
<td>➢ WDA</td>
<td>➢ NIRDA</td>
<td>➢ HEC</td>
</tr>
<tr>
<td>➢ RDB</td>
<td>➢ PSF Chambers</td>
<td>➢ NIRDA</td>
</tr>
<tr>
<td>➢ SSCs</td>
<td>➢ Sector lead ministries</td>
<td>➢ RP</td>
</tr>
<tr>
<td>➢ PSF</td>
<td>➢ RPPA</td>
<td>➢ WDA</td>
</tr>
<tr>
<td>➢ Private Training Provider</td>
<td>➢ BDF</td>
<td>➢ PESC</td>
</tr>
<tr>
<td>representatives</td>
<td>➢ BRD</td>
<td>➢ Sector lead ministries</td>
</tr>
<tr>
<td>➢ NCST</td>
<td>➢ RwandAir</td>
<td>➢ CoK and provinces</td>
</tr>
<tr>
<td>➢ Sector lead ministries</td>
<td>➢ RCI</td>
<td>➢ Districts JOB Desk</td>
</tr>
<tr>
<td>➢ TVET schools</td>
<td>➢ RCA</td>
<td>➢ SSC</td>
</tr>
<tr>
<td>➢ Private universities</td>
<td>➢ Districts (BDF Unit)</td>
<td>➢ RCI</td>
</tr>
<tr>
<td>➢ Educational attachés</td>
<td>➢ Participating Financial Institutions</td>
<td>➢ DGIE</td>
</tr>
<tr>
<td>➢ AMIR</td>
<td>➢ AMIR</td>
<td>➢ PrEAs</td>
</tr>
<tr>
<td>➢ Private Service Providers</td>
<td>➢ Private Service Providers</td>
<td></td>
</tr>
<tr>
<td>➢ NISR</td>
<td>➢ NISR</td>
<td></td>
</tr>
<tr>
<td>➢ RSSB</td>
<td>➢ RSSB</td>
<td></td>
</tr>
<tr>
<td>➢ HEC</td>
<td>➢ HEC</td>
<td></td>
</tr>
<tr>
<td>➢ RP</td>
<td>➢ RP</td>
<td></td>
</tr>
<tr>
<td>➢ WDA</td>
<td>➢ WDA</td>
<td></td>
</tr>
<tr>
<td>➢ DGIE</td>
<td>➢ DGIE</td>
<td></td>
</tr>
<tr>
<td>➢ BNR</td>
<td>➢ BNR</td>
<td></td>
</tr>
<tr>
<td>➢ RRA</td>
<td>➢ RRA</td>
<td></td>
</tr>
<tr>
<td>➢ REB</td>
<td>➢ REB</td>
<td></td>
</tr>
<tr>
<td>➢ Commercial attachés</td>
<td>➢ Commercial attachés</td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Programs and Implementing Institutions

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Program</th>
<th>Leading</th>
<th>Co-implementing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pillar 1</td>
<td>1.1. National Training and Educational Excellence Program</td>
<td>UR, RP</td>
<td>REB, HEC, WDA, MINECOFIN, RDB</td>
</tr>
<tr>
<td>Lead: MINEDUC</td>
<td>1.2. Market-led Education Initiative</td>
<td>RDB</td>
<td>RP, WDA, UR, SSCs, PSF, Private Training Provider representatives, NCST</td>
</tr>
<tr>
<td></td>
<td>1.3. Capacity Development Programme</td>
<td>RDB</td>
<td>RP, Sector lead ministries, PSF</td>
</tr>
<tr>
<td><strong>Pillar 2:</strong> MINICOM</td>
<td><strong>2.1. Access to Markets Program</strong></td>
<td>MINICOM</td>
<td>RDB, RSB, NAEB, RAB, NIRDA, PSF, MINAFFET, RPPA, MINECOFIN, BRD, RCA, Rwandair, RCI, Districts</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------------</td>
<td>----------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>2.2. Access to Adequate Capital Program</strong></td>
<td>MINICOM</td>
<td>BDF, RDB, BRD, MINECOFIN, RCA, Participating Financial Institutions, PSF, AMIR, RCA</td>
<td></td>
</tr>
<tr>
<td><strong>2.3. High-Quality Business Advisory Services Program</strong></td>
<td>RDB</td>
<td>MINICOM, Private Service Providers, Districts (BDE Unit), MINALOC, RCA, BDF</td>
<td></td>
</tr>
<tr>
<td><strong>2.4. Labour Market Analysis Program</strong></td>
<td>RDB</td>
<td>NISR, MIFOTRA, RSSB, HEC, RP, MINEDUC, WDA, PSF, DGIE, RRA, MINECOFIN, BNR, REB</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Pillar 3:</strong> RDB</th>
<th><strong>3.1. Evidence-based workforce planning and matching</strong></th>
<th>RDB</th>
<th>RISA, MICT, PSF, RSSB, HEC, NIRDA, RP, WDA, PESCs, PREA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.2. Strengthening Employment Services and Career Guidance Program</strong></td>
<td>RDB</td>
<td>MIFOTRA, MINIYOUTH, CoK and Provinces, Districts (Job Desk), PSF</td>
<td></td>
</tr>
<tr>
<td><strong>3.3 Graduate Labour Market Transition program</strong></td>
<td>RDB</td>
<td>MINECOFIN, PSF, MINEDUC, RP, WDA, MINIYOUTH, SSC</td>
<td></td>
</tr>
<tr>
<td><strong>3.4. Global Talent and Opportunities Program</strong></td>
<td>RDB</td>
<td>MINAFFET, RCI, MIFOTRA, DGIE, PrEAs, PESCs</td>
<td></td>
</tr>
</tbody>
</table>
Annex I: Methodological approach

Strategic Framework

The NSDEPS has been developed using a five-step process, outlined below.

Figure 18: Key questions per element of the approach

The situational analysis (steps 1-3) were conducted in parallel, providing the strategic insight to perform steps 4-5. This led to the actionable interventions, described in section III.

1. **As a first step, the NSDEPS included an assessment of Rwanda’s enabling environment for employment (step 1).** This exercise revealed that access to finance, access to markets, and business development support were the key enabling factors for businesses to create employment. Analysis was conducted on 1) the market structure, and 2) the key growth drivers of employment creation. To understand the market structure, critical sub-sectors were analysed, considering the share of enterprises that micro and SMEs represent, the informal sector, and the state of employment within it. Having achieved this, key growth drivers were identified across three segments, 1) business growth, 2) entrepreneurship, and 3) investment promotion. Analysis was undertaken to identify the key challenges faced in each, the capacity gaps that are preventing scale, the level of access to finance and access to markets, and the level of investment need for Rwanda to meet its growth targets.

2. **Labour demand and skills supply was assessed in Rwanda (step 2).**

This exercise was conducted to understand the current status of the labour market, the skills mismatch, and looking more broadly at what Rwanda needs to do to rapidly upskill its workforce. A current-state analysis of the labour market was conducted, looking closely
at the breakdown of the Rwandan population, analysing the labour force survey to identify trends in employment, unemployment, and underemployment, the type of employment of the workforce, and identifying which sectors are predominantly creating the most employment. Thereafter, the distribution of the skills supplied to the Rwanda workforce was assessed, considering the levels of competence, qualifications, and education attainment of the workforce, and identifying the level of progress required for Rwanda to meet its national targets in terms of investment in skills development.

3. **The last step of the situational analysis assessed the current skills development and employment promotion strategies (step 3).** This exercise was conducted to get an understanding of the skills development and employment promotion programs that have been running in the ecosystem and to evaluate how successful they have been in achieving their mandate. To do so, a three-step approach was taken. The first step was to understand the ecosystem, and which programs were running under each pillar of the NEP. The second step was to assess the successes and challenges of these programs through consultations with their responsible institutions. The final step involved an evaluation of the impact of the programs in terms of job creation and their cost effectiveness, to inform which programs should be scaled and which ones should not.

4. **To better inform the strategy, the NSDEPS incorporated a reflection on the potential skills and jobs pathways in Rwanda.** This exercise is intended to highlight the potential skills and job pathways Rwanda could take to close its skills gaps, leveraging international experiences from countries that have registered significant improvements in their human capital, namely, Mauritius, Botswana, South Korea, and Singapore.

5. **Based on the insights from the situational analysis and skills pathways, the NSDEPS proposes a set of programs to upskill the workforce and accelerate job creation.** The NSDEPS strategy is formed through three strategic pillars. Pillar 1: Skills Development, Pillar 2: Employment Promotion, and Pillar 3: Matching Skills Supply and Demand. In each of these pillars and against each program, an analysis of the best practices was conducted, drawing from international experiences that have been successful. In each pillar the strategic implications of the situational analysis were considered to inform the proposed programs, with the aim of bolstering skills development and employment promotion.

**Data sources and key stakeholders**

**Multiple data sets were used for the analysis contained in this report.** The table below summarises the sources used.
A wide range of external documents were used as source material to inform the strategy. Throughout the document the sources have been highlighted as footnotes, and the primary documents are shown below.

**Lessons learnt from previous strategies**

Multiple national strategies interact with similar themes to those discussed in the NSDEPS. The most pertinent are shown below:
• **Vision 2050**, although still work in progress, aims to transform the country to upper-middle income status, and achieve high living standards for all Rwandans. The NSDEPS sets out to equip the workforce with the skills required for long-term transformation.

• **National Strategy for Transformation (NST1)** sets the country’s transformative agenda up to 2024, with a target of improving living standards for all Rwandans. NST1 priorities will overlap with the NSDEPS, particularly in the economic transformation pillar that looks to create 1.5 million decent and productive jobs by 2024 by scaling entrepreneurship and skills development initiatives, as well as establishing Rwanda as a competitive knowledge economy through the nurturing of a skills ecosystem and by prioritising high skills sectors such as ICT, and Tourism and Hospitality.

• **The Private Sector Development and Youth Employment Strategy (PSDYES)** covers wide-ranging interventions from trade negotiations and investment promotion to local entrepreneurship and skills development. PSDYE interacts with the NSDEPS through initiatives aimed at promoting skills development of the youth as well as supporting small businesses to scale through access to finance and technical support.

• **The National Employment Program (NEP)** sets out to create sustainable and remunerative jobs across the economy and to equip the workforce with the vital skills required to boost the private sector growth. NEP interacts with NSDEPS through the similarity in strategic pillars for skills development and employment promotion and the actionable interventions established in NEP being scaled or restructured to be more efficient under the NSDEPS.

• **National Capacity Development Policy** aims at building the capacity of government entities and equipping them with skills and tools to deliver on their responsibility to implement government policies, service delivery, and social & economic development.

• **Future Drivers of Growth Chapter** covers the essential drivers for Rwanda’s growth strategy. Human Capital Development is a priority area that is critical for Rwanda’s growth, focusing on improving the role of TVETs and higher education in offering quality training and education, building the tertiary sector, and fostering innovation. The chapter also looks closely at developing export dynamism and building competitive domestic enterprises that can drive high-skilled employment, similarly interacting with the employment promotion pillar of the NSDEPS.

• **Education Sector Strategic Plan (ESSP)** provides strategic interventions across all levels of the education system. These include interventions at TVET and HLIs stages, which are within the priorities of the NSDEPS. Overlaps exist between the NSDEPS and the ESSP in terms of interventions regarding curriculum design of TVETs and HLIs, training programs, and teacher qualifications. These documents should be considered complimentary to each other.

A broad range of organizations from the public, private and social sectors were consulted to develop this strategy. Stakeholders were engaged at several workshops and during in-depth individual interviews. The stakeholders engaged are as follows:
Figure 21: Summary of stakeholders involved in drafting the strategy

<table>
<thead>
<tr>
<th>Government Agencies and Education</th>
<th>Private Sector players</th>
<th>Development players</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDB</td>
<td>Resonate</td>
<td>World Bank</td>
</tr>
<tr>
<td>University of Rwanda</td>
<td>Bag for innovation</td>
<td>KOICA</td>
</tr>
<tr>
<td>Office of The President</td>
<td>AMI</td>
<td>Swedish embassy</td>
</tr>
<tr>
<td>Prime Minister’s Office</td>
<td>Bridge2Rwanda</td>
<td>GIZ</td>
</tr>
<tr>
<td>RP</td>
<td>Zipline</td>
<td></td>
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<tr>
<td>MINECOFFIN</td>
<td>Laterite</td>
<td></td>
</tr>
<tr>
<td>MIFOTRA</td>
<td>BDF</td>
<td></td>
</tr>
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<td>MICT</td>
<td>Harambee</td>
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<td>MINEDUC</td>
<td>PSF</td>
<td></td>
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<tr>
<td>MINAGRI</td>
<td>BDF</td>
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<td>MIGEPROF</td>
<td>Akiiah</td>
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<td>MININFRA</td>
<td>AC Group</td>
<td></td>
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<td>MINALOC</td>
<td>UFACOM</td>
<td></td>
</tr>
<tr>
<td>MINICOM</td>
<td>Volkswagen Rwanda</td>
<td></td>
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<tr>
<td>RISA</td>
<td></td>
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<tr>
<td>WDA</td>
<td></td>
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<tr>
<td>NISR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Kigali KESC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCST</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NIRDA</td>
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</tr>
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</table>
## Annex II: NSDEPS- Monitoring and Evaluation Matrix

<table>
<thead>
<tr>
<th>Expected Outcome</th>
<th>Indicator to Track outcome</th>
<th>Baseline</th>
<th>Targets &amp; Milestones</th>
<th>Responsible Entity</th>
<th>Data Sources (Means of verification)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2019/20</td>
<td>2020/21</td>
<td>2021/22</td>
<td>2022/23</td>
</tr>
</tbody>
</table>

### Pillar 1: Skills Development

#### Programme 1.1: National Training and Education Excellence Program

1.1.1: Improved quality and broader access to education particularly in TVET and Higher Education

1.1.1: Students learning outcomes in core subjects of TVET and Higher Education programmes in the national assessment scores

- **Indicator to Track**: Students learning outcomes in core subjects of TVET and Higher Education programmes in the national assessment scores
- **Unit of measure**: Percent
- **Baseline**: 32.1%
- **Targets & Milestones**: 38%, 45%, 50%, 55%, 60%
- **Responsible Entity**: MINEDUC: Education Sector, HEC & RP
- **Data Sources (Means of verification)**: HEC- Annual Report

1.1.2: Performance-based financing in place for TVET and higher education

- **Indicator to Track**: Performance-based financing in place for TVET and higher education
- **Unit of measure**: Number
- **Baseline**: 24
- **Targets & Milestones**: 29, 34, 39, 44, 49
- **Responsible Entity**: MINEDUC: Education Sector & RP
- **Data Sources (Means of verification)**: MINEDUC & RP Reports

1.1.3: Number of TVET and HLIs with fully functioning Quality Assurance System

- **Indicator to Track**: Number of TVET and HLIs with fully functioning Quality Assurance System
- **Unit of measure**: Percent
- **Baseline**: 1%
- **Targets & Milestones**: 3.9%, 6.8%, 12.6%, 15.6%, 18.5%
- **Responsible Entity**: HEC, WDA, RP
- **Data Sources (Means of verification)**: HEC & WDA : Annual Inspection Reports

1.1.4: % of HLIs & TVET supported with adequate Demonstration Centers, Laboratory Equipment and materials to support practical outcome-oriented learning

- **Indicator to Track**: % of HLIs & TVET supported with adequate Demonstration Centers, Laboratory Equipment and materials to support practical outcome-oriented learning
- **Unit of measure**: Percent
- **Baseline**: 15%
- **Targets & Milestones**: 22.9%, 30.7%, 38.6%, 46.4%, 54.3%
- **Responsible Entity**: HEC & WDA
- **Data Sources (Means of verification)**: HEC & WDA : Annual Inspection Reports
<table>
<thead>
<tr>
<th>Expected Outcome</th>
<th>Indicator to Track outcome</th>
<th>Unit of measure</th>
<th>Baseline</th>
<th>Targets &amp; Milestones</th>
<th>Responsible Entity</th>
<th>Data Sources (Means of verification)</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>2019/20</td>
<td>2020/21</td>
<td>2021/22</td>
<td>2022/23</td>
</tr>
<tr>
<td><strong>Programme 1.2: Market-led Education Initiative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2: Increased access to TVET and HLI programmes that are responsive to both labour market needs and the social and economic development of Rwanda</td>
<td>1.2.1: % of employers satisfied with TVET graduates</td>
<td>Percent</td>
<td>75.1%</td>
<td>80%</td>
<td>83%</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td>1.2.2: % of TVET graduates employed within 6 months of graduation (female/male)</td>
<td>Percent</td>
<td>70.0%</td>
<td>75%</td>
<td>78%</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>1.2.3: % of employers satisfied with HLI graduates</td>
<td>Percent</td>
<td>67.0%</td>
<td>68.10%</td>
<td>68.60%</td>
<td>69.10%</td>
</tr>
<tr>
<td></td>
<td>1.2.4: % of HLI graduates employed within 6 months of graduation (female/male)</td>
<td>Percent</td>
<td>41.4%</td>
<td>43.70%</td>
<td>44.80%</td>
<td>45.90%</td>
</tr>
<tr>
<td><strong>Programme 1.3: Capacity Development</strong></td>
<td></td>
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</tr>
<tr>
<td>1.3.1: Strengthened private sector capacity through targeted firm level support</td>
<td>1.3.1.1: % of private sector entities supported to implement priority value chains capacity development to generate employment and incomes</td>
<td>Percent</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>1.3.2: Strengthened public sector capacity through accountability</td>
<td>1.3.2.1: % public servants supported to increase service delivery</td>
<td>Percent</td>
<td>23%</td>
<td>25%</td>
<td>35%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Pillar 2: Employment Promotion</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Programme 2.1 Access to Markets</strong></td>
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<td></td>
</tr>
<tr>
<td>Expected Outcome</td>
<td>Indicator to Track outcome</td>
<td>Unit of measure</td>
<td>Baseline</td>
<td>Targets &amp; Milestones</td>
<td>Responsible Entity</td>
<td>Data Sources (Means of verification)</td>
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<td>2019/20</td>
<td>2020/21</td>
<td>2021/22</td>
<td>2022/23</td>
</tr>
<tr>
<td><strong>2.1.1: Improved</strong></td>
<td>2.1.1.1: Annual exports growth: (change in export market share of goods and services /real growth of exports / competitiveness effect/demand effect)</td>
<td>Percent</td>
<td>Status: 10.8% in 2016 (EDPRSII aver-age)</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>access to Markets for micro, small and large enterprises</td>
<td>2.1.1.2: Manufacturing share of total exports</td>
<td>Percent</td>
<td>Status: 4.8% in 2016</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>2.1.1.3: Services share of total exports</td>
<td>Percent</td>
<td>Status: 46% in 2016</td>
<td>48%</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>2.1.1.3: % of business/companies participating in e-commerce</td>
<td>Percent</td>
<td>TBD</td>
<td>8%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Programme 2.2: Access to Adequate Capital Program + Programme 2.3: High-quality Business advisory services</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td><strong>2.2.1: Increased</strong></td>
<td>2.2.1.1: Credit to SMEs as share of GDP</td>
<td>Percent</td>
<td>Status: 7.8% in 2016 - 2017 FY (Source: PSDYE)</td>
<td>10%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>access to adequate finance and business advisory services</td>
<td>2.2.2: Productive Jobs created by MSMEs supported to access Banks, MIFIs and SACCos credit</td>
<td>Number</td>
<td>20,000</td>
<td>25,000</td>
<td>30,000</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>Programme 2.4: Labour Market Analysis</strong></td>
<td></td>
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<tr>
<td>Expected Outcome</td>
<td>Indicator to Track outcome</td>
<td>Unit of measure</td>
<td>Baseline</td>
<td>Targets &amp; Milestones</td>
<td>Responsible Entity</td>
<td>Data Sources (Means of verification)</td>
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</tr>
<tr>
<td>2.4.1 Improved employment mainstreaming in investment and bilateral projects</td>
<td>2.4.1.1 Number of jobs created by investments registered with RDB</td>
<td>Number</td>
<td>8,259</td>
<td>11,000</td>
<td>13,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

**Pillar 3: Matching**

**Programme 3.1. Evidence-based workforce planning and matching**

| 3.1.1: Improved access to evidence-based information on skills demand and supply | 3.1.1.1: Availability of upgraded LMIS | Number | 1 | 1 | 1 | 1 | 1 | MIFOTRA, MINEDUC, RDB, MINECOFIN; NISR; PSF | NISR: Labour Force Survey & Statistical Year Book; RDB, PSF & RP: M&E Reports |
| 3.1.1.2. Annual skills demand report with labour market insights | Number | 1 | 2 | 3 | 4 | 5 | 6 | MIFOTRA, MINEDUC, RDB, MINECOFIN; NISR; PSF | NISR: Labour Force Survey & Statistical Year Book; RDB, PSF & RP: M&E Reports |

**Programme 3.2 Strengthening Employment Services and Career Guidance**

| 3.2.1: Improved access on labour Market Information and employment services | 3.2.1.1: % of unemployed Rwandans who access labour market information and employment services | Percent | 3.8% | 5% | 7% | 9% | 11% | 13% | MINICOM; MINAGRI; MINECOFIN; NISR; PSF & RDB | NISR: Bi-annual labour market survey |

**Programme 3.3. Graduate labour market transition**
<table>
<thead>
<tr>
<th>Expected Outcome</th>
<th>Indicator to Track outcome</th>
<th>Unit of measure</th>
<th>Baseline</th>
<th>Targets &amp; Milestones</th>
<th>Responsible Entity</th>
<th>Data Sources (Means of verification)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3.1: Improved employability skills for university graduates and young professionals</td>
<td>3.3.1.1: % of Graduates from TVET and HLIs employed after 6 months of professional internship training (female/male)</td>
<td>Percent</td>
<td>58%</td>
<td>63% 68% 73% 78% 80%</td>
<td>MIFOTRA, MINEDUC, RDB, MINECOFIN; NISR; PSF</td>
<td>RDB, PSF &amp; RP: M&amp;E Reports and Tracer survey study</td>
</tr>
<tr>
<td></td>
<td>3.3.1.2. Number of public and private institutions implementing young professional programme</td>
<td>Number</td>
<td>5</td>
<td>10 15 20 25 30</td>
<td>MIFOTRA, MINEDUC, RDB, MINECOFIN; NISR; PSF</td>
<td>RDB, PSF &amp; RP: M&amp;E Reports and Tracer survey study NISR: Labour Force Survey &amp; Statistical Year Book</td>
</tr>
<tr>
<td></td>
<td>3.3.1.3: % of Young professionals with permanent employment after Young Professional Programme</td>
<td>Percent</td>
<td>50%</td>
<td>60% 65% 70% 75% 80%</td>
<td>MIFOTRA, MINEDUC, RDB, MINECOFIN; NISR; PSF</td>
<td>RDB, PSF &amp; RP: M&amp;E Reports and Tracer survey study NISR: Labour Force Survey &amp; Statistical Year Book</td>
</tr>
</tbody>
</table>

Programme 3.4. Global Talent and Employment Opportunities
<table>
<thead>
<tr>
<th>Expected Outcome</th>
<th>Indicator to Track outcome</th>
<th>Unit of measure</th>
<th>Baseline</th>
<th>Targets &amp; Milestones</th>
<th>Responsible Entity</th>
<th>Data Sources (Means of verification)</th>
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<tr>
<td></td>
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<td></td>
<td>2019/20</td>
<td>2020/21</td>
<td>2021/22</td>
<td>2022/23</td>
</tr>
<tr>
<td>3.4.1: Increased availability of critical and rare skills in the high priority sectors</td>
<td>3.4.1.1: % of skilled people (qualified and experienced) with critical and rare skills in the high priority sectors</td>
<td>Percent</td>
<td>17%</td>
<td>20%</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>3.4.3: Increased access to regional and global employment opportunities in high priority sectors</td>
<td>3.4.3.1: Number of TVET and HLIs graduates accessed regional and global employment opportunities</td>
<td>Number</td>
<td>0</td>
<td>80</td>
<td>150</td>
<td>200</td>
</tr>
</tbody>
</table>
## Annex III: NSDEPS- Implementation Plan

<table>
<thead>
<tr>
<th>Programme /Strategic Interventions/ Key activities</th>
<th>Implementing Entity</th>
<th>Timelines</th>
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<tbody>
<tr>
<td></td>
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<td>2019/20</td>
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<td>2022/23</td>
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<td>2023/24</td>
</tr>
</tbody>
</table>

### Pillar 1: Skills Development

#### Programme 1.1: National Training and Education Excellence Program

<table>
<thead>
<tr>
<th>1.1.1: Launch a pilot on performance-based management for TVET and Higher Education</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1.1 Define the performance metrics and framework for decision-making, before implementing the pilot phase</td>
<td>RP, WDA, UR, HEC, REB, PSF, RDB</td>
<td></td>
</tr>
<tr>
<td>1.1.1.2 Collect data from TVET and Higher Education institutions willing to participate in the program</td>
<td>RP, WDA, UR, HEC, REB, PSF, RDB, MIGEPROF, MINIYOUTH, MINICT</td>
<td></td>
</tr>
<tr>
<td>1.1.1.3 Exploit lessons learnt from data collection process as a basis for decision making</td>
<td>RP, WDA, UR, HEC, REB, PSF</td>
<td></td>
</tr>
<tr>
<td>1.1.1.4 Initiate an Excellence Award for TVET and university institutions</td>
<td>RP, WDA, UR, HEC, REB, PSF, MIGEPROF, MINIYOUTH, MINICT</td>
<td></td>
</tr>
</tbody>
</table>

#### 1.1.2. Improve students' understanding of the costs and benefits of specific TVET and Higher Education

<table>
<thead>
<tr>
<th>1.1.2.1. Organize large-scale information campaigns for TVET and higher education outcomes</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Programme 1.2. Market-led education initiative
<table>
<thead>
<tr>
<th>Programme /Strategic Interventions/ Key activities</th>
<th>Implementing Entity</th>
<th>Timelines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.2.1. Increase relevance of TVET training to the labour market needs</strong></td>
<td></td>
<td>2019/20</td>
</tr>
<tr>
<td>1.2.1.1. Increase private sector involvement in TVET governance structure</td>
<td>RP, WDA, PSF, RDB, MIGEPROF, MINIYOUTH, MINICT</td>
<td>2020/21</td>
</tr>
<tr>
<td>1.2.1.2. Revamp Sector Skills Councils (SSCs) to inform skills development in TVET and Higher Education.</td>
<td>MINEDUC, RP, WDA, RDB, PSF, MIGEPROF, MINIYOUTH, MINICT</td>
<td>2021/22</td>
</tr>
<tr>
<td>1.2.1.3. Increased exposure of TVET students to the world of work throughout the studies.</td>
<td>MINEDUC, WDA, RP, RDB, PSF, MIGEPROF, MINIYOUTH, MINICT</td>
<td>2022/23</td>
</tr>
<tr>
<td>1.2.1.4. Enhancing TVET Teacher training through practical exposure.</td>
<td>MINEDUC, RP, WDA, RDB, PSF, MIGEPROF, MINIYOUTH, MINICT</td>
<td>2023/24</td>
</tr>
<tr>
<td>1.2.1.5. Expand and professionalise business and innovation centres at TVET Institutions.</td>
<td>RDB, MIFORA, PSF, MIGEPROF, MINIYOUTH, MINICT</td>
<td></td>
</tr>
<tr>
<td>1.2.1.6. Establish joint training centres with leading private sector employers.</td>
<td>MINICOM, NIRDA, RDB, UR, RP, MIGEPROF, MINIYOUTH, MINICT WDA, PSF</td>
<td></td>
</tr>
<tr>
<td>1.2.1.7. Increase private sector involvement in curriculum design.</td>
<td>RDB, MIFOTRA, PSF, MINIYOUTH, MINICT</td>
<td></td>
</tr>
<tr>
<td><strong>1.2.2. Increase quality and relevance of Higher Education</strong></td>
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</tbody>
</table>

For more detailed information and context on the interventions, please refer to the specific sections and tables provided in the document.
<table>
<thead>
<tr>
<th>Programme /Strategic Interventions/ Key activities</th>
<th>Implementing Entity</th>
<th>Timelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.2.1. Increase private sector involvement in university governance structure</td>
<td>UR, MINEDUC, HEC, PSF, RDB</td>
<td>2019/20</td>
</tr>
<tr>
<td>1.2.2.2. Enhancing university teachers training through practical exposure</td>
<td>UR, MINEDUC, HEC, PSF, RDB</td>
<td>2020/21</td>
</tr>
<tr>
<td>1.2.2.3. Foster university-industry-government cooperation</td>
<td>UR, MINEDUC, HEC, PSF, RDB, MINICOM, RRA, MIFOTRA, MINICT</td>
<td>2021/22</td>
</tr>
<tr>
<td>1.2.2.4. Increase Private sector involvement in curriculum design</td>
<td>MINEDUC, WDA, RP, HEC, RDB, PSF, BRD, MIGEPROF, MINIYOUTH, MINICT</td>
<td>2022/23</td>
</tr>
<tr>
<td>1.3.1. Strengthen private sector capacity development through targeted company level support</td>
<td></td>
<td>2023/24</td>
</tr>
<tr>
<td>1.3.1.1. Review and establish a co-financing model for the Private Sector Window of CDP</td>
<td>RDB, MIFOTRA, PSF</td>
<td>2019/20</td>
</tr>
<tr>
<td>1.3.1.2. Leverage SDF to attract strategic investment.</td>
<td>RDB, MIFOTRA, PSF</td>
<td>2020/21</td>
</tr>
<tr>
<td>1.3.2. Strengthen public sector skills development</td>
<td></td>
<td>2021/22</td>
</tr>
<tr>
<td>1.3.2.1. Review and establish a co-financing model for public sector capacity building</td>
<td>RDB, MIFORA, MINEDUC, RP, PSF</td>
<td>2022/23</td>
</tr>
<tr>
<td>1.3.2.2. Upgrade database to monitor and evaluate the impact of public and private interventions</td>
<td>RDB, MIFORA, MINEDUC, RP, PSF</td>
<td>2023/24</td>
</tr>
<tr>
<td>Programme /Strategic Interventions/ Key activities</td>
<td>Implementing Entity</td>
<td>Timelines</td>
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<tr>
<td>-------------------------------------------------</td>
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</tr>
<tr>
<td>1.3.2.3. Attract renown professional training providers for public servants training</td>
<td>RDB, MIFORA, MINEDUC, RP, PSF</td>
<td>2019/20</td>
</tr>
</tbody>
</table>

**Pillar 2: Employment Promotion**

**Programme 2.1 The Access to Markets**

**2.1.1. Support medium and large enterprises in accessing markets**

- 2.1.1.1. Enable international expansion by providing technical support and access to marketing platforms (including e-commerce) to Rwandan Firms. | MINICT, RDB, MINICOM, NIRDA, PSF |

**2.1.2 Support micro and small enterprises in accessing markets**

- 2.2.1.1. Promote cooperatives and collaboration among SMEs to reach large scale production. | RCA, RDB, MINICOM, MIFOTRA |
- 2.2.1.2. Develop value chains by creating incentives around procurement from SMEs and access to marketing platforms (incl. e-commerce). | MINICT, RCA, RDB, MINICOM, PSF |

**Programme 2.2. The Access to adequate Capital**

**2.2.1. Facilitate access to relevant financial products for micro, small and medium enterprises**

- 2.2.1.1 Tailor BDF and other public institutions (e.g. SACCOs, BRD, AFR) products to business needs to foster job creation. | MINICOM, RDB, BDF, MINIYOUTH, MIGEPROF |
- 2.2.1.2. Support micro leasing for SMEs and cooperatives | RDB, MINICOM, BDF |
<table>
<thead>
<tr>
<th>Programme /Strategic Interventions/ Key activities</th>
<th>Implementing Entity</th>
<th>Timelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1.3. Support access to capital for start-ups graduating from incubation centres.</td>
<td>MINICOM, BDF, RDB, NIRDA, RP, PSF</td>
<td>2019/20</td>
</tr>
<tr>
<td>Programme 2.3. High-Quality Business Advisory Services</td>
<td></td>
<td>2020/21</td>
</tr>
<tr>
<td>2.3.1. Offer high-quality business advisory services</td>
<td></td>
<td>2021/22</td>
</tr>
<tr>
<td>2.3.1.1. Create a performance-based framework to engage the professional business development service providers.</td>
<td>RDB, RSB</td>
<td>2022/23</td>
</tr>
<tr>
<td>2.3.1.2. Continuous capacity building and professionalization of proximity BDAs</td>
<td>RDB, BDF, MINICOM, DISTRICTS, MINALOC</td>
<td>2023/24</td>
</tr>
<tr>
<td>2.3.2. Provide product development support to micro and small business</td>
<td></td>
<td>2019/20</td>
</tr>
<tr>
<td>2.3.2.1. Promote mentorship from successful entrepreneurs and business leaders, potentially via angel investing, leveraging private and social intermediaries</td>
<td>MINICOM, RDB, PSF</td>
<td>2020/21</td>
</tr>
<tr>
<td>2.3.2.2. Foster the development of start-up incubators, reinforcing start-ups link to leading institutions nurturing innovation (e.g. KIC, CMU, NIRDA, universities)</td>
<td>MINICOM, NIRDA, MINEDUC, RP, MINIYOUTH, PSF</td>
<td>2023/24</td>
</tr>
<tr>
<td>2.3.2.3. Facilitate access to premises by allowing start-ups to operate in underutilized buildings</td>
<td>MINALOC, MININFRA, RDB</td>
<td>2019/20</td>
</tr>
<tr>
<td>Programme 2.4. Labour Market Analysis Program</td>
<td></td>
<td>2020/21</td>
</tr>
<tr>
<td>2.4.1 Strengthening Labour Market Analysis to inform policies and regulations</td>
<td></td>
<td>2021/22</td>
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<tr>
<td>Programme /Strategic Interventions/ Key activities</td>
<td>Implementing Entity</td>
<td>Timelines</td>
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<tr>
<td></td>
<td></td>
<td>2019/20</td>
</tr>
<tr>
<td>2.4.1.1. Analyse the impact of main policy changes on job creation</td>
<td>RDB, MIFOTRA</td>
<td></td>
</tr>
<tr>
<td>2.4.1.2. Mainstream employment in investment and bilateral project negotiations</td>
<td>RDB, MIFOTORA</td>
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<tr>
<td><strong>Pillar 3: Matching</strong></td>
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<tr>
<td><strong>Programme 3.1. Evidence-based workforce planning and matching</strong></td>
<td></td>
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</tr>
<tr>
<td>3.1.1 Further develop and integrate existing labour market information systems</td>
<td></td>
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<tr>
<td>3.1.1.1. Integrate existing databases and link employers and job seekers</td>
<td>RDB</td>
<td></td>
</tr>
<tr>
<td>3.1.1.2. Undertake labour market demand analysis and develop an employment and skills development dashboard</td>
<td>RDB, MIFOTRA, MINEDUC</td>
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<tr>
<td><strong>Programme 3.2. Strengthening Employment Services and Career Guidance</strong></td>
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</tr>
<tr>
<td>3.2.1. Strengthen public employment services and career guidance</td>
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<td></td>
</tr>
<tr>
<td>3.2.1.1. Provide technical support to public employment and career services</td>
<td>RDB, MIFOTRA</td>
<td></td>
</tr>
<tr>
<td>3.2.1.2. Build alumni networks and organize career fairs with employers, with the technical support of career guidance services</td>
<td>RDB, MIFOTRA, MINEDUC, UNIVERSITIES</td>
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</tr>
<tr>
<td>3.2.2. Build strategic partnerships with private matching providers</td>
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<td>Programme /Strategic Interventions/ Key activities</td>
<td>Implementing Entity</td>
<td>Timelines</td>
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<tr>
<td></td>
<td></td>
<td>2019/20</td>
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<tr>
<td>3.2.2.1. Initiate a pilot project based on performance-based funding for private active matching providers</td>
<td>RDB, PSF</td>
<td></td>
</tr>
<tr>
<td><strong>Programme 3.3. Graduate labour market transition</strong></td>
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</tr>
<tr>
<td>3.3.1. Revise the public and private sector internship program with a focus on employability and skills development</td>
<td></td>
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</tr>
<tr>
<td>3.3.1.1. Strengthen the capacity of the internship program management and professionalize internship programme</td>
<td>RDB</td>
<td></td>
</tr>
<tr>
<td>3.3.1.2. Increase the uptake of interns in the private sector and large government projects</td>
<td>RDB, PSF</td>
<td></td>
</tr>
<tr>
<td>3.3.1.3. Monitor the internship program’s employment outcomes and identify success factors and critical issues</td>
<td>RDB</td>
<td></td>
</tr>
<tr>
<td><strong>3.3.2. Coordination and Institutionalization of Young Professional Program (YPP)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3.2.1. Streamline and scale Young Professional Programme across Government Institutions</td>
<td>RDB, MINEDUC, RP</td>
<td></td>
</tr>
<tr>
<td><strong>Programme 3.4. Global Talent and Opportunities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4.1. Attract external talent and Rwandan Diaspora talent for skills transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4.1.1. Develop a joint database of Rwandan diaspora talents</td>
<td>MINEDUC, MIFOTRA, RDB, MINAFET</td>
<td></td>
</tr>
<tr>
<td>3.4.1.2. Support Rwanda’s diaspora by providing career services, information and other support</td>
<td>RDB, MIFOTRA, MINAFET</td>
<td></td>
</tr>
<tr>
<td>Programme /Strategic Interventions/ Key activities</td>
<td>Implementing Entity</td>
<td>Timelines</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>3.4.2. Plan for relevant scholarships to support future skills development</td>
<td>MINEDUC, HEC, REB, RDB, MIFOTRA</td>
<td>2019/20</td>
</tr>
<tr>
<td>3.4.2.1. Provide scholarships for rare and critical skills in strategic sub-sectors</td>
<td>MINEDUC, HEC, REB, RDB, MIFOTRA</td>
<td>2019/20</td>
</tr>
<tr>
<td>3.4.3. Improve access to regional and global opportunities</td>
<td>MINEDUC, HEC, REB, RDB, MIFOTRA</td>
<td>2019/20</td>
</tr>
<tr>
<td>3.4.3.1. Negotiate bilateral agreements with high-income countries experiencing workforce shortages to unleash employment opportunities for Rwandans</td>
<td>MINEDUC, RDB, MIFOTRA, MINAFET</td>
<td>2019/20</td>
</tr>
<tr>
<td>3.4.3.2. Mapping employment opportunities in regional and international organizations and support application and dissemination processes</td>
<td>MINEDUC, RDB, MIFOTRA, MINAFET</td>
<td>2019/20</td>
</tr>
</tbody>
</table>
Annex IV: High-level budget

The following table illustrates the budget for the level of investment required per pillar. This includes an RDB Delivery Unit to support implementation, governance, and M&E.

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Strategic programs</th>
<th>Five-year budget (RWF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pillar1</strong></td>
<td>National Training and Education Excellence Program</td>
<td>1,581,453,228</td>
</tr>
<tr>
<td></td>
<td>Market-led Education initiative</td>
<td>7,805,359,319</td>
</tr>
<tr>
<td></td>
<td>Capacity Development Programme</td>
<td>38,079,892,246</td>
</tr>
<tr>
<td><strong>Pillar2</strong></td>
<td>The Access to Markets Program</td>
<td>5,003,142,939</td>
</tr>
<tr>
<td></td>
<td>The Access to Adequate Capital Program</td>
<td>52,389,232,381</td>
</tr>
<tr>
<td></td>
<td>High Quality Business Advisory Services</td>
<td>5,213,705,109</td>
</tr>
<tr>
<td></td>
<td>Labour Market Analysis Program</td>
<td>201,275,865</td>
</tr>
<tr>
<td><strong>Pillar3</strong></td>
<td>Evidence-based workforce planning and matching</td>
<td>1,131,745,437</td>
</tr>
<tr>
<td></td>
<td>Strengthened Employment Services and Career Guidance Program</td>
<td>2,357,802,994</td>
</tr>
<tr>
<td></td>
<td>Graduate labour market transition programme</td>
<td>11,622,243,539</td>
</tr>
<tr>
<td></td>
<td>Global Talent and Opportunities Program</td>
<td>10,265,069,133</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>Central Delivery Unit &amp; M&amp;E team</td>
<td>460,059,121</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>136,110,981,311</strong></td>
</tr>
</tbody>
</table>
## Annex V: Overview of partnerships under NEP

<table>
<thead>
<tr>
<th>Development Partner</th>
<th>Name of Intervention</th>
<th>Operational Period</th>
<th>Main objectives</th>
<th>Flow of funds</th>
<th>Key lessons learnt</th>
</tr>
</thead>
</table>
| Sida/Swedish Embassy  | National Employment Programme (NEP) Grant Contribution | 2015-2019          | -To create sufficient jobs through employability skills and business development (contributing to 200,000 off-farm jobs per year, EDPRS 2)  
-To equip the workforce with appropriate skills for job in private sector including self-employment  
-To provide a national framework for coordinating all public employment interventions | Direct Program Funding | Effective Annual Joint Planning that allows to identify priorities, avoid duplication and incremental adjustment. |
<p>| African Development Bank | SEEP (Skills, Employability and Entrepreneurship Programme) | 2014-2016 -2016-2018 | Entrepreneurship and Business Development | Sector Budget Support | Budget ceiling of implementing Institutions not linked to the PAD and not allowing specific allocation to NEP activities |
| World Bank           | Priority Skills for Growth | 2017-2020          | Expand opportunities for the acquisition of quality, market relevant skills in selected economic sectors namely | Sector Budget Support | Fast Tracking results as it is Program for Results (PfOR) financing instrument |</p>
<table>
<thead>
<tr>
<th>Development Partner</th>
<th>Name of Intervention</th>
<th>Operational Period</th>
<th>Main objectives</th>
<th>Flow of funds</th>
<th>Key lessons learnt</th>
</tr>
</thead>
<tbody>
<tr>
<td>German Cooperation/GIZ</td>
<td>EcoEmploi: The Promotion of Economy and Employment Programme in Rwanda</td>
<td>2014-2019 beyond</td>
<td>Interventions are structured following the logic of NEP’s pillars: Labour Market Interventions With a sector focus on: LMIS, ICT, Tourism (around Lake Kivu), Wood (mainly furniture), Creative Industries (audio-visual)</td>
<td>Mainly Technical Assistance</td>
<td>The support has proven to enhance capacity building through peer learning and skills transfer from international experts to local counterpart</td>
</tr>
</tbody>
</table>

- Energy, Transport & Logistics and Manufacturing- agro processing
- whereby Interventions are supported through Government Budget while the World Bank disburses fund upon presentation, verification and evidence of attainment of the Program’s disbursement linked indicators (DLIs).
- Budget ceiling of implementing Institutions not linked to the PAD and not allowing specific allocation to NEP activities
<table>
<thead>
<tr>
<th>Development Partner</th>
<th>Name of Intervention</th>
<th>Operational Period</th>
<th>Main objectives</th>
<th>Flow of funds</th>
<th>Key lessons learnt</th>
</tr>
</thead>
<tbody>
<tr>
<td>MasterCard Foundation</td>
<td>Rwanda Employment and Enterprise Development Initiative</td>
<td>2018-2028</td>
<td>Focus on vocational training for youth to develop skills required in the tourism sector for both entry-level and managerial roles and at the same time supporting related SMEs that will be able to absorb their labour</td>
<td>Funding channeled through service delivery consultancies</td>
<td>Yet to establish</td>
</tr>
<tr>
<td>USAid</td>
<td>AKAZI KANOZE</td>
<td>2013-2015/ 2016-2021</td>
<td>Expanding opportunities for youth to increase their work readiness skills and engage in formal and self-employment.</td>
<td>Directly implemented by a social entreprise contracted by USAID/EDC-Akazi Kanoze</td>
<td>Enhanced work readiness and work ethics among youth.</td>
</tr>
<tr>
<td>ILO</td>
<td>Decent Work Country Programme</td>
<td>2018-2021</td>
<td>Decent Work in inform sector with special focus on construction and textile</td>
<td>Direct funding to activities of the project</td>
<td>Yet to establish</td>
</tr>
<tr>
<td>UNDP</td>
<td>Youth and Women Employment</td>
<td>2015-2018</td>
<td>Transitioning labour-force from a low-productive agricultural dominated farm jobs to a more productive agriculture, industry and services-based economy with special focus to youth and vulnerable groups</td>
<td>Direct funding to activities of the project</td>
<td>-Induced mindset changes of youth through Youth Connect business competition - Made agriculture attractive to youth especially in aquaculture</td>
</tr>
<tr>
<td>Association for the Promotion of Education and Training Abroad (APEFE)</td>
<td>Enhancing skills through workplace learning</td>
<td>2018-2020</td>
<td>Systematic dual training where youth spend enough time in apprenticeship in companies</td>
<td>Direct funding to activities of the project</td>
<td>Best practices in workplace learning</td>
</tr>
</tbody>
</table>
### Annex VI: Mapping of NST1 flagship projects linked with NSDEPS Programmes

**Economic Transformation Pillar:** Accelerate inclusive economic growth and development founded on the Private Sector, knowledge and Rwanda’s Natural Resources.

<table>
<thead>
<tr>
<th>NST 1 Priority Area</th>
<th>Selected NST 1 Strategic Intervention with skills building implications</th>
<th>NSDEPS related Programme</th>
<th>NSDEPS related Strategic Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority Area 1:</strong> Create 1,500,000 (over 214,000 annually) decent and productive jobs for economic development.</td>
<td>• Develop and support priority sub-sectors with high potential for growth and employment (e.g. Agro-processing, Construction, Light manufacturing, Meat and Dairy, Leather, Textiles and Garments, Horticulture, Tourism, Knowledge based services, Value addition and processing of Mining products, Creative Arts, Aviation, Logistics, and Transportation.)</td>
<td>Pillar 1, Programme 1.3 Capacity Development Programme</td>
<td>The Capacity Development Programme through its two funds, SDF and CBF, will contribute to bridge the skills gap in priority sub-sectors with high potential for growth.</td>
</tr>
<tr>
<td><strong>Priority Area 2:</strong> Accelerate Sustainable Urbanization from 18.4% (2016/17) to 35% by 2024</td>
<td>• Develop Flagship projects in secondary cities targeted to create employment and generated incomes • Update Master plans of secondary cities and other key towns to reflect the ambition to become modern cities</td>
<td>Pillar 3: Matching skills supply and demand, Programmes 3.2. Integrating existing talent databases and link employers and job seekers will</td>
<td>Attracting external top talent would facilitate exponential growth of health sector and professionals, which will contribute towards addressing skills shortages that remain one of the critical binding constraints.</td>
</tr>
</tbody>
</table>

Pillar 1, Programme 1.3 Capacity Development Programme

Pillar 2, Programme 2.1 Access to Markets, 2.2. Access to Adequate Finance, 2.3. High Quality Business Advisory Services

Pillar 3: Matching skills supply and demand, Programme 3.4. Global Talent and Opportunities Program

Additional support at company level will be provided through interventions under Pillar 2.
**Economic Transformation Pillar:** Accelerate inclusive economic growth and development founded on the Private Sector, knowledge and Rwanda’s Natural Resources.

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<th>NSDEPS related Strategic Interventions</th>
</tr>
</thead>
</table>
| Priority Area 3: Establish Rwanda as a Globally Competitive Knowledge-based Economy | • Develop Kigali Innovation City (KIC) to host a thriving skills ecosystem including industries, universities and academic institutions with the aim to train engineers and business graduates as “Job Creators” rather than “Job Seekers” and eventually exporting skills  
• Establish Centers of Excellence with the aim of establishing and maintaining a close liaison with Industry with a focus in health, education, industry, cyber security sectors among others.  
• Operationalize the innovation fund and establish the incubation centres to support firms in the innovation and technology industry. | Strengthening Employment Services and Career Guidance Program, and 3.4. Global Talent and Opportunities Program | contribute to bridge the skills gap in in secondary cities and other modern cities, as well as attracting critical talent from the diaspora with international experience and solid know how in urban planning. |

Pillar 1, Programme 1.2 Market-led Education Initiative

The increased private sector involvement in curriculum design; fostering university-industry-government cooperation; establishing joint training centres with leading private sector employers; expanding and professionalising business and innovation centres at University colleges and Higher Level TVET Institutions; and revamping Sector Skills Councils to inform skills development in TVET and Higher Education shall contribute to bridge the skills gap in priority sectors with high potential for growth.

Pillar 2, Employment promotion, programmes 2.3. High Quality Business Advisory Services and 2.4. Labour Market Analysis Program

Fostering the development of start-up incubator, reinforcing start-ups link to leading institutions nurturing innovation (e.g. KIC, CMU, RP and universities); mainstream employment in investment and bilateral project negotiations; will contribute to bridge the skills gap in
**Economic Transformation Pillar:** Accelerate inclusive economic growth and development founded on the Private Sector, knowledge and Rwanda’s Natural Resources.

<table>
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<tr>
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<th>NSDEPS related Strategic Interventions</th>
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<tbody>
<tr>
<td></td>
<td>Pillar 3: Matching skills supply and demand, Programme 3.1. Evidence-based workforce planning and matching, 3.2. Strengthening Employment Services and Career Guidance Program 3.3. Graduate Labour Market Transition Program, 3.4. Global Talent and Opportunities Program</td>
<td>Priority sectors with high potential for growth.</td>
<td>Attracting external top talent would facilitate exponential growth of high-value sub-sectors; streamlining and scale YPP across Government Institutions; and integrating existing talent databases and link employers and job seekers will contribute to bridge the skills gap in the effective implementation of KIC and other flagship projects under NST 1 priority area 3.</td>
</tr>
</tbody>
</table>
| Priority area 4: Promote Industrialization and Attain a Structural Shift in the Export Base to High-value Goods and Services with the aim of growing exports by 17% Annually | • Undertake **investor targeting** with aim of attracting the **right anchor firms with market linkages** in the priority economic value chain since shortage of skills is most acute and being felt more keenly, such as agro-processing, construction materials, light manufacturing, meat and dairy, leather, textiles and garments, horticulture, knowledge based services, logistics and transport.  
• **Develop hospitality industry**  
• **Develop a vibrant aviation sector** and establish a center of excellence in aviation to avail critical skills needed in the aviation industry. Currently, **aviation sector** is lacking core skills in Rwanda | Pillar 1, Programme 1.3 Capacity Development Programme | The Capacity Development Programme through its two funds, SDF and CBF will contribute to bridge the skills gap in priority sub-sectors with high potential for growth. |
|                     | Pillar 2, Employment promotion, programmes 2.1 The Access to Markets Program; 2.2. Access to Adequate Finance, 2.3. High Quality Business Advisory Services | | Promoting mentorship from successful entrepreneurs and business leaders, potentially via angel investing, leveraging private and social intermediaries; and fostering the development of start-up incubator, reinforcing start-ups link to leading institutions nurturing innovation (e.g. KIC, CMU, RP and universities) will contribute to bridge the skills gap in |
**Economic Transformation Pillar:** Accelerate inclusive economic growth and development founded on the Private Sector, knowledge and Rwanda’s Natural Resources.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Priority Area 5: Increase Domestic Savings and Position Rwanda as a Hub for Financial Services to Promote Investments</td>
<td>• Undertake BPO service development to capitalize on previous investments in fiber optic</td>
<td>Pillar 1, Skills Development, programme 1.1. Market Led Education Initiative, 1.3 Capacity Development Programme</td>
<td>priority sectors with high potential for growth.</td>
</tr>
<tr>
<td></td>
<td>• Develop financial services centre with aim of availing specialized skills and establishing incentive mechanisms to attract investors in the financial sector to easy access to finance for new business ventures.</td>
<td>Pillar 2, Employment promotion, programme 2.2. Access to Adequate Finance</td>
<td>The Market-led Education Initiative [1.2.] will equip financial services graduates with market-relevant and competitive skills.</td>
</tr>
<tr>
<td>Priority 6: Modernize and Increase Productivity of Agriculture and Livestock</td>
<td>• Commercialization of crop and animal resource value chains with the aim of acquiring required standards and certification for internationalization of SME companies</td>
<td>Pillar 2, Employment promotion, programmes 2.1 The Access to Markets Program; 2.2. Access to Adequate Finance, 2.3. High Quality Business Advisory Services</td>
<td>Promoting cooperatives and collaboration among SMEs reach large scale production; enabling international expansion by providing technical support and access to marketing platforms; and developing priority value chains will contribute to bridge the skills gap in priority value chains through interventions under Pillar 2</td>
</tr>
<tr>
<td></td>
<td>• Develop and improve professionalization of livestock farmers and increase their output in terms of quality, volume and</td>
<td>Pillar 3: Matching skills supply and demand, Programme 3.1.</td>
<td>Attracting external top talent would facilitate exponential growth of high-</td>
</tr>
</tbody>
</table>


**Economic Transformation Pillar:** Accelerate inclusive economic growth and development founded on the Private Sector, knowledge and Rwanda’s Natural Resources.

<table>
<thead>
<tr>
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<th>NSDEPS related Programme</th>
<th>NSDEPS related Strategic Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>productivity with aim of attaining increased productivity and acquiring required standards and certification.</td>
<td>Evidence-based workforce planning and matching, 3.2. Strengthening Employment Services and Career Guidance Program 3.3. Graduate Labour Market Transition Program, 3.4. Global Talent and Opportunities Program</td>
<td>value sub-sectors; streamlining and scale YPP across Government Institutions; and integrating existing talent databases and link employers and job seekers will contribute to bridge the skills gap through interventions under Pillar 3</td>
</tr>
<tr>
<td></td>
<td>Increase level of investment in flagship projects in the livestock sub sector since shortage of skills is most acute and being felt more keenly in the modern fish farming, poultry, animal feeds production, and value addition in the livestock supply value chain</td>
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<td></td>
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</tbody>
</table>

**Social Transformation Pillar:** Develop Rwandans into a capable and skilled people with quality standards of living and a stable and secure society

<table>
<thead>
<tr>
<th>NST 1 Priority Area</th>
<th>Selected NST 1 Strategic Intervention with skills building implications</th>
<th>NSDEPS related Programme</th>
<th>NSDEPS related Strategic Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Area 3: Enhancing demographic dividend through</td>
<td>Increase the number and capacity of human resources for health sector professionals with a major focus on continuous upgrading of their</td>
<td>Pillar 1, Programme 1.3 Capacity Development Programme</td>
<td>The Capacity Development Programme through its two funds, SDF and CBF, will contribute to bridge the skills gap in priority sub-sectors with high potential for growth.</td>
</tr>
<tr>
<td>NST 1 Priority Area</td>
<td>Selected NST 1 Strategic Intervention with skills building implications</td>
<td>NSDEPS related Programme</td>
<td>NSDEPS related Strategic Interventions</td>
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</tr>
<tr>
<td>Ensuring access to quality health for all</td>
<td>- qualifications via short-course, part-time training and e-learning for accreditation and acquiring required license.</td>
<td>Pillar 3: Matching skills supply and demand, Programme 3.4, Global Talent and Opportunities Program</td>
<td>Attracting external top talent will contribute towards addressing skills shortages that remain one of the critical binding constraints.</td>
</tr>
<tr>
<td></td>
<td>- Establish model health centers of excellence through partnership with private investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Promote industries in pharmaceuticals and manufacturing of medical equipment as well as support medical research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority Area 4: Enhancing the demographic dividend through improved access to quality education</td>
<td>- Increase the number of qualified teachers and improve their welfare. This will be done</td>
<td>Pillar 1, Skills Development, Programme 1.2 Market Led Education Initiative</td>
<td>Increasing TVET and HLI Teachers Exposure to practical experience is proposed as a dedicated activity under NSDEPS (under 1.2)</td>
</tr>
</tbody>
</table>