Promotion of Economy and Employment Programme

The challenge

Rwanda has made significant progress towards economic development and has maintained macroeconomic stability over the last 20 years. However, the country faces substantial employment challenges. The rate of unemployment and underemployment is high and a majority of the people work in poorly paid positions, above all in agriculture. Moreover, Rwanda’s working age population is rapidly increasing; generating sufficient jobs for the expanding labour force is an enormous task.

Hence, the Rwandan Government strives to shift its economic focus away from agriculture to a more knowledge-based, service oriented, private sector driven economy that focuses on employment creation. In order to achieve this, the Economic Development and Poverty Reduction Strategy II (EDPRS2) recognises the importance of employment for economic development and poverty reduction and, accordingly, calls for “200,000 off-farm jobs to be created each year”.

However, challenges remain such as lack of sufficient employment generating measures in public and private sectors; mismatch between educational outputs and labour market requirements; and lack of entrepreneurship opportunities, especially for youth and women.

Our approach

The programme ‘Economy and Employment Promotion’ (Eco-Emploi) is a joint Rwandan-German Development Cooperation Programme with the aim that selected partners implement employment-generating measures. Eco-Emploi contributes to the national development strategies through enhancing competencies of selected institutions in the economic sectors of information and communication technology (ICT), e-commerce and logistics, wood economy, tourism and creative industries (audio-visual).

Private sector development, technical and vocational education and training (TVET) and labour market intervention approaches contribute to the development of the sectors and promote diverse economic growth.

Private sector development focuses mainly on improving the competitiveness of small and medium-sized enterprises (SMEs) in the five economic sectors. Furthermore, business development services such as group counselling and public private dialogues are implemented to create conducive business environment for the private sector.

To enhance the skills level of graduates, TVET institutions are advised on how to increase the quality of the TVET system. A key part of this is the promotion of the competencies of teachers and trainers. In several pilots, new formats for TVET that target the skills needs of the private sector are tested and evaluated for upscaling.

To promote the inclusion of job seekers into the labour market, Rwanda’s structure of employment service centres is strengthened and supported in its service delivery. Additionally, Rwandan institutions are supported in setting up a Labour Market Information and Analysis System that analyses available data and infuses findings into policy making processes.

The economic empowerment of women and people with disabilities are crosscutting efforts in all the interventions of the programme.

<table>
<thead>
<tr>
<th>Project name</th>
<th>The Programme of Economy and Employment Promotion (Eco-Emploi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioned by</td>
<td>German Federal Ministry for Economic Cooperation and Development (BMZ)</td>
</tr>
<tr>
<td>Project region</td>
<td>Rwanda</td>
</tr>
<tr>
<td>Lead executing agency</td>
<td>GIZ</td>
</tr>
<tr>
<td>Duration</td>
<td>June 2016 - May 2019</td>
</tr>
</tbody>
</table>
In the economic sectors, Eco-Emploi analyses the respective value chains. Potentials for growth as well as weak linkages are identified and consecutively addressed by interventions.

The ICT sector carries huge potential for Rwanda. At present, basic ICT services are in demand by international outsourcing businesses. Rwanda is addressing this need within a short timeframe through targeted interventions. Moreover, ICT services do not rely on international trade routes or natural resource deposits, hence the conditions for growth are excellent.

E-commerce and logistics offer SMEs with opportunities to access regional and global markets, reduce costs and increase competitiveness and customer service. SMEs contribute significantly to economic development; hence, e-Commerce can become a critical facilitator for growth.

Most furniture in Rwanda is currently imported. Promotion of the wood economy in Rwanda can substitute these imports and open the market for locally produced products.

Rwanda already is a tourist destination. However, only few of the country’s attractions are fully developed and accessible for international clients. Therefore, development of promising tourism destinations and products as well as improvement of services is required. More tourists for longer stays in Rwanda will be a driver of economic growth and employment in Rwanda.

Audio/visual productions have the potential to generate employment and act as enablers for the development and promotion of other sectors through the visibility it provides. However, Rwanda is not easily accessible for international productions so far and the local film market does not offer enough sources of income for artists. Easier access and an improved legal framework will attract more productions and generate jobs.

Eco-Emploi functions under the guidance of a steering committee that is responsible for strategic decisions. The lead partners at the national level comprise of the Ministry of Trade and Industry, Ministry of Education, Ministry of Public Service and Labour, Rwanda Development Board, Workforce Development Authority, Rwanda Polytechnic, Private Sector Federation, Rwanda Women Chamber of Entrepreneurs, National Council of Persons with Disability and key actors from the private sector. All programme interventions are developed in core groups per economic sector.

Our impact

Through the integrated approach of private sector development, TVET system and labour market interventions, 625 jobs have been created between June 2016 to May 2018, of which 26% are women. The programme’s target is to create 5,000 jobs in the five economic sectors.

The Kigali and Musanze Employment Service Centres have registered 2,241 jobseekers. Amongst them, 817 have found a job or an internship. It is expected that 1,500 individuals will have found a job through the Centres’ services.

Through the demand oriented training, 63% of 312 participants have found a job within three months; amidst them 20% are women. Overall, it is expected that 1,000 people will receive trainings and at least 60% will have secured a job.

Furthermore, it is expected that more tourism attractions and better services will lead to inflow of tourists, thereby creating more jobs. Likewise, basic ICT services will be sold to the international market leading to further employment generation. Meanwhile, digitalisation of retail will grow business performance of SMEs and there will be notable increase in their revenue. Through the development of the wood economy, local carpentry will increase and imports will decrease. Additionally audio/visuals produced in Rwanda will support in the destination marketing for tourism and investment.