Special Initiative “Decent Work for a Just Transition”

Creating jobs and growth in Rwanda

Setting the course for economic growth

Despite the COVID-19 pandemic, Rwanda maintains one of the highest growth rates in Africa. In 2021, economic growth climbed back up to 10.9 percent according to the International Monetary Fund. This is largely due to Rwanda’s rapid response to the spread of the coronavirus. The government almost immediately reacted with a six-week nationwide lockdown, while sending out positive signals by announcing an economic stimulus package containing extended social support measures.

Even before the pandemic, Rwanda proved to be an increasingly relevant location for business and investment in the region. The country ranked second highest of all African countries in the Ease of Doing Business Index. Since joining the East African Community (EAC) in 2007, Rwanda increased its volume of business. Direct foreign investments almost tripled between 2008 and 2018. These numbers illustrate that Rwanda is strongly focused on the ambitious targets it set out in its National Strategy for Transformation.

Between 2017 and 2024, the Rwandan government plans to create 1,500,000 jobs in the country. The Special Initiative “Decent Work for a Just Transition” supports this endeavour.

Creating and preserving jobs

As one of several organisations, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is implementing the Special Initiative “Decent Work for a Just Transition” on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Under the brand Invest for Jobs, the Special Initiative collaborates with the private sector to support them in creating new jobs in Rwanda. It also supported businesses in preserving jobs that had been put at risk due to the COVID-19 pandemic.

Promoting investment

Invest for Jobs supports the Rwanda Development Board (RDB) in building and strengthening partnerships with African and European companies that are seeking to expand business and investment in the Rwandan market. By jointly identifying and reducing existing barriers to their investment plans, the Special Initiative provides demand-oriented services that assist companies across all sectors to stimulate growth, foreign investment and create jobs.

Example: According to RDB the business-process-outsourcing (BPO) sector offers a high potential for investment in Rwanda.
To realise this, the Special Initiative works with the Digital Skills Accelerator Africa (DSAA) e.V. and its member companies. So far, 831 trainees graduated from training measures in the areas of software development, BPO and IT services. Of these, 292 found employment afterwards.

Elevating local companies

Small and medium-sized enterprises (SMEs) are already the backbone of Rwanda's economy. Their continued growth offers major potential for the prosperity of the country and increasing employment opportunities, especially for young people and women. In joint projects, Invest for Jobs promotes these enterprises by training staff members or new candidates, increasing product quality or certification as well as advising on general business and financial acumen. Ultimately, these measures enhance the competitiveness of SMEs and extend their reach beyond the markets they currently serve, which in turn creates new jobs.

Example: Invest for Jobs supports IDH – The Sustainable Trade Initiative in training Rwandan SMEs and farmer cooperatives in horticulture value chains. Local agribusinesses and smallholder farmers are empowered to tap into global export markets and grow their businesses. So far, participating companies have successfully distributed product samples, improved their packaging, and trained employees to grow new export crops. Since the project started in May 2021, IDH, in collaboration with the partner SMEs, has trained more than 1,600 farmers and coop-members, 51% of whom were women – with more to come. More than 488 jobs were created at the horticulture enterprises.

Building up geographical clusters

Through its programme on special economic zones (SEZs), the Rwandan government is addressing domestic constraints on the private sector. To alleviate these constraints, the Special Initiative fosters the further development of Rwanda's SEZs. Focus is put on the already established Kigali Special Economic Zone covering 276 hectares of land in the country’s capital. Together with resident companies, Invest for Jobs aims to improve business-oriented services and other offerings provided by the SEZ’s park management. Enhancing these benefits within the ecosystem of the SEZ increases growth and investment, while creating jobs and improving working conditions for employees.

Example: The Special Initiative supported the Kigali SEZ in developing a more sustainable business model for the park and is currently working on concrete plans for a number of business-oriented services as well as a digital communication platform for resident companies and the park operator. In addition, park operators and government partners participated in a study tour in April 2022 focusing on eco-industrial park management.

Establishing a hub for pharmaceutical manufacturing

The Government of Rwanda seeks to develop a pharmaceutical and biotechnological sector in Rwanda. To this end, Invest for Jobs provides companies with networking, matchmaking, advisory and financial support promoting investments and thus creating jobs in the sector. At the same time, the sector requires the right talent. In Rwanda, such specialised skills are still scarce. Invest for Jobs therefore supports Rwanda’s Ministry of Education as well as public and private educational institutions and companies in to training suitable candidates for current and future investors.