I. Country Context

1. **Rwanda, a small landlocked economy with population of 11.6 million and GDP per capita of US$697 in 2015, has been experiencing rapid economic growth over the past fifteen years.** Between 2000 and 2015, Rwanda grew on average at 7.7 percent annually outperforming its neighbors. Political stability, prudent macroeconomic policies, promotion of good governance and favorable investment climate contributed to the fast growth and low inflation. Growth has been driven primarily by services - 58 percent contribution to overall growth, followed by agriculture – 24 percent, and industry – 18 percent.

2. **Despite these positive macro-economic trends, employment in Rwanda is characterized by agriculture, informality and low earnings.** In 2011, the number of employed was 4.9 million with 70 percent of workers having their main job in agriculture. Within agriculture, 60 percent of workers were self-employed working on their family’s farm. In the non-agriculture sector, self-employment in small enterprises dominated, closely followed by wage employment in the informal sector. Taken together, most Rwandans are self-employed or work in the informal sector with only seven percent of total employment in the modern wage sector. For the majority of those who are working, earnings are low. In 2011, one third of workers were engaged in low-earning jobs, meaning their labor earnings placed them below the national poverty line.

3. **There has been a shift in employment trends towards non-farm occupations.** Between 2006 and 2011, approximately 630,000 new jobs were added to the economy, 73 percent of them in non-farm occupations. A World Bank (2015) study showed that

---

1 World Development Indicator 2016.
2 World Bank 2015 Rwanda Jobs and Employment Study, Figure 24, page 2.
employment growth between 2006 and 2011 was most responsive to growth in industry, mainly in mining and utilities, and manufacturing. The move to non-farm occupations has been driven by the youth, in particular young men. Within agriculture, farm wage labor is on the rise, and this is driven by young women.

4. **The labor force is growing at a rapid pace annually with census projections showing that the working-age population will grow by about 240,000 per year between 2016 and 2025.** This growth is substantially larger than the increase in jobs during the last 15 years. Acknowledging the demographic trends, the ongoing Second Five-Year Economic Development and Poverty Reduction Strategy (EDPRS-2) of the Government of Rwanda (GoR) has an ambitious target of creating 200,000 off-farm jobs annually. For off-farm jobs, both the formal and informal sector will be important. The informal non-farm sector absorbed 70 percent of the new workers between 2006 and 2011 and will continue to absorb workers who seek a better living outside agriculture. Employment in the formal sector, while growing quickly, will remain low for the foreseeable future given it is starting from a low base. Even so, the sector remains important since most of the perceived ‘good’ jobs are created by the formal private sector. Increases in agriculture productivity and job creation in industries related to agriculture (agro-processing, agribusiness) will also support employment outcomes for the most vulnerable, unskilled workers.

5. **The competitiveness and further growth of Rwandan economy are constrained by lack of a skilled labor force.** Rwanda was ranked as 56 out of 190 countries on the ease of “Doing Business” ranking in 2017, and 52 out of 138 in the Global Competitiveness Index 2016 – 2017 rankings, significantly higher than its neighbors in the East African Community and across Africa. Within the ‘Doing Business’ report, an ‘inadequately educated workforce’ was ranked the second most problematic factor in doing business by firms in Rwanda in 2016 (the most problematic factor was access to financing). This highlights both qualitative and quantitative shortcomings of the education and training system in Rwanda.

6. **The demand for education and skills in Rwanda has outpaced the supply of skills in recent years.** This is illustrated by the fact that between 2006 and 2011, the supply of skills increased in the economy and the price of skills (earnings) increased too during the same period, suggesting a high demand for skills in the economy. This finding is in line with the most recent poverty assessment³, which found that the returns to education (as measured by consumption) are very high in Rwanda. While having completed only a few years of primary school adds four percent to consumption, a full cycle of primary education already adds 27 percent, while having completed secondary school basically doubles consumption (relative to households with an uneducated head). Montenegro and Patrinos (2014), also found that Rwanda has the highest returns to education among the 139 countries in their study and that returns have steadily increased since 2001.

7. **Building skills to advance the country’s economic agenda is a priority in the GoR’s ongoing EDPRS-2.** Launched in September 2013, EDPRS-2 builds on the country’s Vision 2020⁴ and seeks to transform the country by raising its per capita GDP to middle-

---

³ World Bank 2015b Rwanda Poverty Assessment April 2015
income level by 2020. A productive workforce equipped with skills that are relevant and is considered an essential ingredient for the success of this economic and social transformation. The EDPRS-2 identifies the priority sectors- transport, energy, mining, hospitality\(^5\), IT and trade logistics- where technical and professional skills will need to be built in order to support Rwanda’s economic transformation to a middle-income country. It also identifies some sectors that will require the development of basic skills for massive job creation in construction, transport, agro-processing and light manufacturing\(^6\).

II. Sectoral (or multi-sectoral) and Institutional Context

8. The GoR has identified economic sectors which are critical for its economic development, and have the potential for growth, exports, or job creation. In the context of scarce resources, the Government is targeting investments and support for the education/training courses and programs that create skilled labor for these priority areas. The focus is also on developing skills along a continuum of occupations. As sectors grow and diversify, many occupations emerge. These occupations range from those requiring minimum levels of pre-employment training (vocational training of short durations) to those requiring highly specialized skills (often requiring university level training). The sector approach allows for cost-effective development and realization of a range of human resource competencies through the development and/or upgrading of the vocational, technical and academic programs. Such an approach focuses on overcoming the divide between technical vocational education and training (TVET) and higher education institutions (both in the public and private sectors).

Overview of the skills development system in Rwanda

9. In Rwanda, the education system is composed of four main levels: (i) pre-primary, (ii) primary, (iii) secondary, and (iv) higher education, with a significant TVET stream at both secondary and higher education levels (see figure below). In addition, there is non-formal education, or Adult Basic Education as it is more commonly referred to. Compulsory education spans the nine years from age 7 to age 15, covering primary and lower secondary education, and is commonly known as nine years of basic education.

Figure 1. Structure of the Education and Training System in Rwanda (Rwanda Education Framework)

---

\(^5\) Includes basic mastery of international languages such as English and French.

\(^6\) In consultation with stakeholders, among the sectors identified with in the EDPRS-2, three sectors (energy, transport and logistics, and manufacturing) are identified for the priority sectors to be covered by PforR operation. The main reasons are 1) these sectors are considered to be of strategic importance for the country; 2) the country has a competitive advantage/resources in these sectors; 3) these sectors can absorb or are already absorbing a lot of labor; and 4) skills development in these sectors are not adequately financed.
10. TVET provides young people and the unemployed with the skills to gain productive employment and also provides those already in employment with an opportunity to upgrade their skills, including entrepreneurs and employees of firms. TVET is delivered through the Technical Secondary Schools (TSSs), Vocational Training Centers (VTCs) and Integrated Polytechnic Regional Centers (IPRCs). Following 9 years of basic education, pupils can choose between general education, technical secondary education or education at a Teacher Training College. Following the general education pathway provides the opportunity for pupils to move to Bachelors, Masters and PhD programs in public or private universities in Rwanda. Completing TSS offers the opportunity for pupils to go through a one-year certificate program or a two-year diploma program or a three-year advanced diploma program. These programs are generally offered by one of Rwanda’s five public IPRCs or other private polytechnics. Individuals also have the option of enrolling in short-courses (6 months to one year) in one of 186 public and private VTCs in Rwanda regardless of their academic qualifications.

11. In 2013, there was a major reform of the higher education system in Rwanda. The GoR established the University of Rwanda (UR) through the merger of seven public higher education institutions: the National University of Rwanda, Kigali Institute of Science and Technology, School of Finance and Banking, Kigali Institute of Education, Kigali Health Institute, Institute of Agriculture and Animal Husbandry and Umutara Polytechnic. The UR is now structured on six constituent colleges where disciplines from former Institutions were

---

7 Since 2010, there have been plans to integrate the 3-year senior level with the 9 years of basic education in order to create a continuous ‘12 years of basic education’ learning track. Efforts are currently underway to implement these plans.
pooled together to form a given College. This structure gives the UR benefits from consistency in management and the economies of scale in applying technology, curricula to managing costs.

**Access to training**

12. Overall student enrollment in TVET has increased over the past five years. A total of 94,373 students were enrolled in TVET institutions (VTCs, TSSs and Technical Tertiary Institutions) in 2015, increasing from 67,919 in 2011. Out of those enrolled in TVET, about 20 percent are enrolled in VTCs, more than 70 percent in TSSs, and about 6 percent in Technical Tertiary Institutions. Overall, more male students are enrolled than female, and the share of male students has been increasing (53 percent in 2011 to 58 percent in 2015). This gender disparity is most significant at technical tertiary institutions where there are three times more male students than female students.

13. At the higher education level, student enrollment has expanded for the past five years (73,674 in 2011 to 86,315 in 2015), driven mainly by the expansion of private higher learning institutions (HLIs). At public HLIs, the majority of students are male (68 percent) while there are slightly more female students (52 percent) attending private HLIs. Although higher education enrollment in Rwanda is relatively higher than those in neighboring countries, it remains relatively low compared to other middle-income countries.

14. For those who are already in the labor market, the GoR piloted a Skills Development Fund (SDF) under the previous IDA-financed Skills Development Project (SDP). The objective of the SDF was to minimize skills gaps by rapidly increasing the supply of skills in high demand in the labor market. This objective was achieved through the provision of subgrants to eligible applicants on a competitive basis with the purpose of raising the quality and volume of TVET institutions’ short-term training offerings in critical sectors and occupations with demonstrated areas of skills shortages. Grants were given for training of out of school youth, apprenticeships, rapid-response training and industry-based training (IBT). By the end of the previous project, the SDF had provided grants to the tune of more than US$4 million to 108 TVET institutions. About 15,000 Rwandans were trained by project closure.

15. The tracer study of graduates that benefited through financing from the SDF showed that 65 percent of students from VTCs and those who underwent IBT were employed or self-employed 6 months after training completion. Of those who were already employed, about 93 percent showed improvement in their job performance after undergoing the training. Employer satisfaction with the training was also very high. The GoR seeks to continue and expand on these short-term training programs and adapt the structure of the SDF to take into account the lessons learned thus far.

---


9 Rapid Response Training (RRT) refers to training conducted at the request of a specific firm/employer. The request for training is made to the WDA by the respective firm through the Rwanda Development Board; IBT is also run by WDA students undergo training in a firm.
Quality and Relevance of current training programs

16. With the support of its donor partners, Rwanda is also making substantial investments in upgrading the instructional infrastructure in TVET system and at the UR. The recently-completed World Bank operation on skills, for example, upgraded the facilities at 6 VTCs (Busogo, Kinihira, Kibuye, Kabarondo, Kibungo and Kirehe), and provided them with equipment and materials to improve the quality of programs. Conditions remain sub-optimal, however, as reflected in these simple indicators: of the 389 TVET institutions under the Workforce Development Authority (WDA), only 131 have internet connections, while 37 still have no water and 3 have no electricity. At the UR, conditions are much better but they still fall short of what is required to become a leading institution in Africa; the goal is to rise from being among the top 140 universities at present, to being among the top 50 by 2020, and among the top 10 by 2025. An infrastructure development plan is currently being prepared to realize these targets.

17. While there are still challenges with adequate supply of TVET infrastructure and equipment, there are other pressing challenges affecting the quality and relevance of training in the TVET sub-sector: (i) many teachers lack adequate qualifications or have little or no practical experience in the relevant fields; (ii) training programs in some of the promising emerging industries, where there are high active demands for skills, are still missing or slow to be scaled up; (iii) the examination system of TVET tends to measure only theoretical achievements; and (iv) links with potential employers are often missing or too weak, creating disconnects between training and the reality of industries, (v) lack or poor institutionalized research between education and the labor market. This leads to limited innovations and adaptations within the TVET system. In addition, under-funding has been a chronic structural problem in TVET sector (World Bank, 2016).

18. At the higher education level, the Higher Education Policy 2008 identifies the following specific challenges related to quality and relevance of training which persist within the UR including: (i) severe shortage of adequate and appropriate teaching aids and equipment; (ii) lack of interest in and commitment to research; (iii) ineffective management and control systems; (iv) shortage of well-trained and qualified teachers, especially in Mathematics and Sciences; and (v) weak links between supply of higher education and labor market demands. While the UR’s new strategic plan of 2016-2025 begins to address many of these issues, there is significant time and effort that needs to go into addressing issues of quality and relevance of university programs to the needs of the labor market.

Equity in skills training programs

19. As shown earlier, both TVET programs and public HLIs enroll far more male than female students. In 2016 48 percent of students provided with student loans in in public HLIs were from the poorest quintiles Ubudehe 1 and 2 while 52 percent were from Ubudehe 3. Students from the wealthiest category Ubudehe 4 were not eligible for student loans.

20. Nearly all students in the UR are supported financially by the government through

---

student loans or bursaries. Of 30,445 students studying in the UR in academic year 2014/15, around 92 percent were sponsored by the government either fully or partially while only eight percent were self-sponsored full fee-paying students. This ratio of students supported by the government far exceeds the target under the Government’s own Education Sector Strategy and Plan for 2014/15 which was 61.7 percent\textsuperscript{12}.

21. Short-term training opportunities, mainly for individuals who are already in the labor market, are equally distributed across income groups. Opportunities are given to all categories irrespective to the economic status or regional locality (refer to progress reports on NEP Pillar One.)

22. Since 2011, the Rwanda Education Board (REB) has been administering the student loans scheme for tertiary level students, including students in TVET and university under its Higher Education Student Loans Department. Loans are granted to students based on (i) program the students plan to enroll in (40 percent of total score); (ii) academic performance (40 percent of total score); and (ii) financial means testing or the Ubudehe status of the student\textsuperscript{13} (20 percent of total score). Only self-sponsored students and students in Ubudehe category 4 (the wealthiest category) are charged full tuition fees. Students in Ubudehe categories 1-3 as long as they fulfill the first two conditions their tuition fees and living allowances are given in loans subject to availability of budget. Students in category four are not considered for student loans. The student loans program gives preference to students enrolling in science related courses with the regulation calling for 70 percent of student loans beneficiaries to be in science related courses and 30 percent in non-science courses\textsuperscript{14}.

23. According to a report by the Auditor General, by June 2011, the loans distributed by the Government of Rwanda since 1980 amounted to RWF 70.77 billion (around US$86 million at the current exchange rate) whereas the amount of loans recovered was just around RWF 3.5 billion (around US$4.2 million). Student financing was started with the establishment of Student Financing Agency of Rwanda (SFAR) in 2004 and they started the process of loan recovery in 2007, the responsibility was changed to REB following its establishment in 2011. The Auditor General’s report was made in 2011 when the process of loan recovery had only recently commenced and as at 2016 the loan recovery stands at 16 % (around 12.4Bn RWF).

24. As part of the effort to address the challenges, in October 2015, Banque Rwandaise de Development (BRD), a development and commercial bank in Rwanda established in 1967, signed a 10-year agreement with the GoR to administer the disbursement and recovery of loans under the student loan/bursary scheme. A new law governing student loans now explicitly

\textsuperscript{12} The monitoring framework of the ESSP 2013/14 – 2017/18 sets an indicator of “% students in public tertiary institutions in Rwanda receiving financial support from government” with the target values of: 62.1 (2013/14); 61.7 (2014/15); 61.3 (2015/16); 60.8 (2016/17); and 60.4 (2017/18).

\textsuperscript{13} In 2015, the Ubudehe categories were revised from six to four categories: Category 1- HH has shelter insecurity and lacks basic necessities or is food insecure (poorest); Category 2- HH reduced quantity of food and HHM gets part time job (rural); Category 3- HH reduced quantity of food (urban); Category 3- HH has sufficient food and has basic necessities or HHM is an ordinary employee or HHM has informal trade; Category 4- HH member is employed at Management level or has big enterprise or consultancy or wholesaler, import and exports (richest).

\textsuperscript{14} Definitions and procedures for the student loans operation are articulated in REB. Volume VI: Procedures Manual for Higher Education Student Loans (HESL) Department.
gives the employers legal obligations to inform the operating financial institution in writing about the employees who benefited from the student loans and deduct the loan repayment from the source. Under the new law, defaulters may also face a tougher loan collection – one akin to those under the civil and commercial laws. These changes (privatization of operation and strengthening of legal framework) are expected to improve the rate of loan recovery.

**Governance and management of the skills development system in Rwanda**

25. Skills development has always been recognized as a crucial part of Rwanda’s development agenda. The Human Resources and Institutional Capacity Development Agency (HIDA), established in 2005, was the first apex organization to coordinate and spearhead skills development across different sectors. HIDA was restructured and the private sector capacity building docket placed under the Rwanda Development Board (RDB) and the Public Sector Capacity Building Secretariat (PSCBS) was established in 2009 to cover the public sector. In 2013, the National Capacity-Building Secretariat (NCBS) was formed in 2013 under the purview of the Ministry of Finance and Economic Planning (MINECOFIN) with an expanded mandate to coordinate skills development across public, private and civil society sectors. In October 2016, Cabinet established the Capacity Development and Employment Services Board (CESB) to bring together skills development and employment creation under the tutelage of the Ministry of Public Service and Labor (MIFOTRA).

26. CESB is an apex body that houses a number of skills development and employment programs though it does not have implementation responsibilities. A set of national institutions spearhead particular aspects of skills development and serve as a “responsibility center” within its area of competence and policy responsibility (see table below):

<table>
<thead>
<tr>
<th>National Institutions and Skills Development related Policies and Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CESB</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>MIFOTRA</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Ministry of Commerce (MINEACOM)</strong></td>
</tr>
<tr>
<td><strong>Ministry of Youth and ICT (MYICT)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

27. There are other responsibility centers including MINECOFIN, Ministry of Local Government (MINALOC), Private Sector Federation (PSF), Ministry of Gender and Family Promotion, and Rwanda Civil Society Platforms (RCSP), which will now be coordinated
under CESB.

28. CESB will be accountable to the Minister of MIFOTRA and have its own governance arrangements in the form of a Board, the composition of which is to be determined. The organizational structure of CESB (see diagram below) will encompass both capacity building/skills development (formerly administered by the CESB and employment services (through the NEP as shown in the diagram below. This new structure is currently being put in place by the GoR.

![Organizational Structure of CESB](image)

29. As an apex body, CESB is responsible for promoting and facilitating close collaboration between relevant stakeholders. CESB, which is mandated to report on national skills development and employment programs, is currently developing a meta monitoring and evaluation (M&E) framework that seeks to capture information from these different sources. This will however remain a complex task given the diversity of programs and interventions.

30. This Program for Results (PforR) is grounded on the Government’s National Employment Programs (NEP)-approved by Cabinet in 2014- which falls under the purview of the CESB. NEP was designed to address the employment challenges in Rwanda and equip its population with the skills required to support economic development. The vision of the GoR’s skills development program under the NEP is to equip its current and incoming labor force with skills for jobs in the priority economic sectors, in order to boost overall economic growth.
III. Program Scope

31. The NEP and the program for IDA support (herein referred to as the Program) and rationale for program boundaries are described below.

<table>
<thead>
<tr>
<th>Table 2. Program Boundaries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government’s NEP</strong></td>
</tr>
<tr>
<td>Objective: supporting strategic policy and program interventions in key sectors of the economy and the labor market to generate and facilitate the creation of stable jobs that are productive and adequately remunerative.</td>
</tr>
<tr>
<td><strong>Pillar 1:</strong> Skills Development (led by Ministry of Education)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Pillar 2:</strong> Entrepreneurship and Business Development (Led by Ministry of Trade and Industry)</td>
</tr>
<tr>
<td><strong>Pillar 3:</strong> Labor Market Intervention (Led by Ministry of Local Government)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Pillar 4:</strong> Coordination and M&amp;E (Led by Ministry of Public Service and Labor)</td>
</tr>
</tbody>
</table>

32. Over the last two years of implementation of NEP (2014-2016), the focus has largely been on two activities under Pillar 1 namely, the short-term vocational training, informal apprenticeships and targeted rapid response training. There has also been a focus on Pillar 2 of the plan, that is, entrepreneurship and business development.

33. The focus of the PforR will be on Pillars 1 and 4 of the NEP, particularly, strengthening the longer-term training program, which has not been a significant focus of the NEP thus far. It will also focus on expanding the short-term training programs to make them
more responsive to the demands of industry. Within both the short and long-term training programs, there will be a strong focus on strengthening the participation of the private sector in skills development and strengthening the governance and management of the skills development system in Rwanda in order to ensure the concept of developing market-relevant skills translates to operational reality. In addition, the PforR will support strengthening of the coordination and M&E of the NEP and more broadly, of capacity building and employment services in Rwanda.

34. The GoR is interested in strengthening these two Pillars of the NEP, given there are significant government and development partner finances directed towards Pillars 2 (Entrepreneurship and Business Development) and 3 of the NEP (Labor Market Intervention). Pillar 2 of the NEP is supported by several development partners including the Swedish Development Agency (SIDA), Swiss Cooperation, German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ), the African Development Bank (AfDB) amongst others. Pillar 3 of the NEP, related to the public works program in Rwanda under the Vision 2020 Umurenge Program (VUP) has been supported by IDA through a series of three Development Policy Operations beginning in 2009 and with the third operation coming to a close at the end of 2017. By 2015/16, there were about 106,000 beneficiary households receiving support through the public works program under the VUP up from approximately 18,000 beneficiary households at the beginning of the program in 2008. Pillar 2 and 3 will continue to be supported by the government and other development partners including through other IDA operations, but will not be a focus of this PforR.

35. Within the Pillars of focus, and with skills development the main focus of this operation, there are three main results areas of the NEP this operation would focus on namely, (i) reinforcing governance of the skills development system; (ii) ensuring provision of quality training programs with market relevance, and; (iii) operationalizing accredited pathways for continuous upgrading of job-relevant skills for sustained employability. In addition, the PforR will support capacity building for effective implementation of NEP. The activities to achieve these results areas are detailed in the section below:

**Results Area 1: Reinforcing Governance of the Skills Development System (Pillar 4 and Pillar 1, program intervention 3, of NEP)**

36. In the three selected economic sectors, an important concern is gaps in technical and professional skills that undermine the performance of ongoing or pipeline projects, in both the public and private sectors that are critical to Rwanda’s economy at this stage of its development. In light of concerns about skills gaps, the GoR has taken steps to bring investments in workforce skills into closer alignment with Vision 2020 and EDPRS-2, and to the country’s longer term Vision 2050 and EDPRS-3, which are currently being designed.

37. In Rwanda, skills assessment studies were conducted across eight sectors in 2008 by the Rwanda Development Board (RDB) which have, to date, formed the basis of the type of skills to be developed and the numbers of individuals to be trained. A similar, though much more detailed, exercise was completed in 2015 for the energy sector by the National Commission for Science and Technology (NCST) and currently, the NCBS/CESB is using the energy study as a template to guide replication of the exercise in new sectors, including
horticulture, tourism, manufacturing (focused on Made-in-Rwanda products) and the MICE (meetings, incentives, conferences, and exhibitions) services. However, there has been a lack of follow through to actually amend and implement revised training programs that respond to the needs of the industry as articulated in the energy study. This exemplifies a critical break in the chain of actions required to build job-relevant skills and to consolidate and institutionalize the GoR’s current efforts in assessing skills gaps to inform strategic planning for skills development.

38. The challenge to be addressed through this operation is to translate the concept of job-relevant skills into operational reality in a more institutionalized structure. Three areas of action are especially pertinent to developing job-relevant skills: (a) gathering and consolidating critical intelligence from employers on current and prospective jobs and competencies required for business operations and growth; (b) assessing currently available education and training programs and evidence of possible misalignment with employers’ needs; and (c) articulating and implementing concrete plans to address the gaps, which would typically require the introduction of new courses, or renewal and upgrading of existing ones, along with investments to align instructor capability accordingly. The three action areas form a long chain of activity involving multiple actors whose actions may be impeded by gaps in information or incentives.

39. Countries as diverse as Australia, Costa Rica, Singapore and the United Kingdom use an apex body, such as an Expert Skills Group, to conduct these actions. Such a body not only oversees the technical analysis but also advises the government on operational arrangements. In Rwanda, the apex body according to the Government’s National Capacity Development Policy, Strategy and Implementation Plan (2016) is the newly-constituted CESB. This PforR will support the CESB to undertake the three areas of action in order to develop job-relevant skills in the targeted economic sectors. By focusing on three economic sectors prioritized under the PforR, the expectation is to distill lessons and codify best practices that can be disseminated more broadly to bring about a cultural shift toward tighter links between skills demand and supply in Rwanda’s system for skills development.

40. Recently, the GoR has begun using Joint Performance Contracts (JPCs) to encourage collaboration across government ministries to achieve targets that require joint action by multiple ministries. Signed jointly by the relevant Ministers and made available to the public on the government’s website, a JPC specifies performance targets against which the relevant Ministers are evaluated by the Prime Minister. A JPC for the NEP, one of CESB’s two focus areas, is currently in its second year of use. The PforR will support the strengthening of the skills related component of the NEP JPC.

41. The strengthening of the skills-related component within the NEP JPC has two immediate purposes. The first is to ensure that the findings of energy skills analyses are translated in a timely manner into new or updated course offerings. The second purpose is to apply the same methodology to the other two economic sectors prioritized for attention under this operation. There is a third, broader purpose. It is to give strategic leaders an authentic understanding of and mastery over the long chain of actions involved in building job-relevant skills—from identifying and tapping leading employers for information on skills and competencies required in their industry, to translating the information into training packages
within the country’s qualifications framework (QF), to creating feedback loops to sustain a dynamic balance between skills demand and supply. The leaders’ experiences in these areas provide a basis for distilling best practices and codifying key processes, in order to reduce delays and minimize the loss of accuracy in capturing information exchange among parties that normally have few occasions for interaction. When embedded in the institutional culture of CESB, the benefit of these experiences are spread beyond the three sectors selected for focus in this operation. In this way, the skills JPC is potentially a powerful catalytic impact on strengthening Rwanda’s system for skills development.

42. During the first year of the PforR, the focus will be on incorporating selected results of sector level analyses and action plans into the NEP JPC. Each action plan will be based on an assessment of skills profiles, competencies and employer demand for skills, and an analysis of gaps in training provision. Each action plan should contain, at a minimum, (i) identification of the appropriate training providers to address the skills gap and mismatches in training supply; (ii) courses to be improved or developed following a rigorous curriculum development process (see DLI 2); (iii) timeline for rollout of new or improved courses; and (iv) tracking labor market outcomes of graduates from those courses.

43. The NEP, which expires in 2019, focuses on employment and short term training needs. The PforR will support CESB to take the lead in developing a skills development and employment promotion strategy as the follow-on to the NEP. This strategy will take a more integrated approach to skills development (i.e. addressing full continuum from certificate to degree levels) and employment generation based on comprehensive skills needs assessment of EDPRS priority sectors.

44. Results Area 2: Ensuring Provision of Quality Training Programs with Market Relevance (Pillar 1 of NEP)

45. The development of skills profiles and competencies in priority economic sectors provide critical information to be disseminated amongst education and training providers in order to build a solid bridge between the world of learning and the world of work. Training providers can use the information to design or amend competency-based course curricula that respond to employers’ expectations as conditions in the labor market evolve. Such curricula are only part of the story, however; other factors that matter in equipping the graduates of training programs with employable skills include: competent faculty to deliver the training and suitable facilities and equipment and adequate provision of materials, all of which requires systematic validation through quality assurance protocols. The PforR operation will support 21 institutions (3 UR Colleges, 6 IPRCs/Polytechnics, 12 VTCs/TSSs) in responding to these challenges, focusing on 33 new training programs and 13 existing programs geared toward meeting skills needs in the selected economic sectors.

Those targeted institutions are College of Science and Technology of UR, College of Business and Economics of UR, College of Agriculture, Animal Sciences and Veterinary Medicine of UR, IPRC East, IPRC West, IPRC Kigali, IPRC South, Tumba College of Technology, Musanze Polytechnic, Nyanza TSS, Nyamata TSS, TSS EAV Ntendezi, TSS EAV Kabutare, TSS Kinazi, TSS EFA Nyagahanga, TSS ESTB Busogo,, VTC Nyarutarama Incubation, VTC Masaka Incubation, and VTC Gakoni, Nelson Mandela VTC, Kavumu VTC.
2.1 Promote competency-based curriculum development and pedagogy

46. Engaging industry in shaping and delivering training content is critical for ensuring that course offerings respond to the needs of enterprises and the labor market. The work of the CESB taps into high-level insights from industry leaders. The connection to industry needs to be reinforced through additional interactions at the level of individual institutions between service providers and employers. These interactions can help training providers develop truly demand-driven curricula and course materials that respond to local and sector-specific requirements. The SSCs, which fall under the purview of the CESB and the PSF, were recently established that include (ICT, Mining, Financial Services, Agriculture, Energy, Tourism, Arts, Media and Entertainment, Manufacturing, Construction, Transport & Logistics, Health, Beauty, Fashion & Design) and are a promising development in this regard. In addition to providing inputs and support for curricula development and pedagogy, SSCs can also facilitate public-private partnerships (PPPs) to create opportunities for instructors and trainees to “intern” at companies and gain practical work experience. Training institutions will need to provide career guidance and counselling for trainees and conduct follow-up tracer studies of former graduates and customer satisfaction surveys with enterprises.

2.2 Invest in faculty development, facilities and equipment and in organizational reform

47. Investments to enhance training providers’ capacity to deliver competency-based training programs help to improve the effectiveness and efficiency of service provision. The pace of faculty upgrading in Rwanda has been modest, however. In 2013-14, only about 360 of the nearly 3,000 instructors in the public TVET system under the WDA’s purview had benefited from training. In the future, the pace of upgrading can be expected to pick up with the establishment of the Rwanda TVET Trainer Institute (RTTI) which is being set up at the IPRC-Kigali with assistance from the Korean government. Faculty upgrading is also an important aim at the UR where only 20 percent of the faculty have PhDs at present. As part of its strategic plan, the UR aims to raise that share to 28 percent by 2020 and to 60 percent by 2025.

48. With regard to organizational reform, the most significant development has been the creation of the UR in 2013 through the consolidation of institutions that previously operated as stand-alone entities under a single umbrella with seven constituent colleges. At the TVET level, the concept of “One Polytechnic” (much like one UR) was approved at the end of 2016, as a way to capture economies of scale by sharing common resources—for curriculum development and staff and student management—across multiple TVET institutions. All the public IPRCs, VTCs and TSSs in Rwanda will be constituted into the umbrella of one institution known as the Rwanda Polytechnic (RP) which will manage the delivery of training across training. This function was previously managed by the WDA and the WDA will henceforth focus on quality assurance of the TVET institutions.

49. The PforR operation will support eighteen TVET institutions and three UR Colleges in

continuing to rationalize their organizational structures. The impact of the institutions’ efforts on training more individuals on better quality, market-relevant competency based curricula in the three selected sectors will be an important focus of M&E under the PforR operation. The PforR will support the targeted training institutions to not only deliver high-quality, market relevant programs but a secondary objective will be to increase the participation of women and individuals from poor households in these programs.

50. At the University level, the PforR will support improving targeted programs under the UR namely, (i) the College of Science and Technology (focused on training programs in energy and transport and logistics); (ii) the College of Business and Economics (focused on training programs on transport and logistics); and (iii) the College of Agriculture, Animal Sciences and Veterinary Medicine (focused on agro-processing). These Colleges will focus on long-term degree programs. At the TVET level, four IPRCs and two polytechnics as well as 12 VTCs/TSSs have been selected under this operation. The IPRCs and polytechnics will focus on two-year diploma and three-year advanced diploma courses while the VTCs/TSSs will focus on shorter term training courses. These institutions were selected given they have or are planning to initiate training programs that are relevant for the three economic sectors.

Result Area 3: Expanding Opportunities for Continuous Upgrading of Job-relevant Skills for Sustained Employability (Pillar 1 of NEP)

51. This result area will focus on expanding opportunities for individuals to gain job relevant skills in two ways. First, by establishing a QF in the targeted sectors the operation will support the development of an education and training system with a coherent and permeable structure. This is done through the modularization\(^\text{18}\) of training courses from the artisan level to the professional level so that there are pathways for individuals to enter and progress within a career track in the education and training system. Second, the operation will offer financing opportunities for individuals and firms to access short and long-term training courses. For short-term courses, firms/associations/training institutes will have access to matching grants through a competitive process under the SDF. For long-term courses, individuals will have access through the Government’s ongoing student loans scheme.

3.1 Consolidate the National QF to create learning pathways:

52. Till recently, Rwanda had four disjointed QFs managed by different educational institutions namely, (i) the Rwanda National Examination Grading System for primary and secondary education implemented by REB; (ii) the Rwanda TVET QF coordinated by the WDA; the Rwanda QF for Higher Education implemented by Higher Education Council (HEC); and the National QF for Adult Education implemented by REB.

53. These differing QFs has meant that individuals could not easily progress from one level to another (for example, from TVET to university), hence reducing learning pathways and career opportunities for individuals. A consolidated QF is key in clarifying learning and career pathways which are crucial for mobility and progression of learners in any education system. It

\(^{18}\)Modularization effectively means breaking down whole educational qualifications into useful sub-units (a module), each with measurable outcomes that are assessed (and sometimes certified) in their own right and as well as contributing to an overall educational outcome (primarily, a qualification).
is an instrument for the development, classification and recognition of skills, knowledge and competencies along a continuum of agreed levels that specifies what learners must know or be able to do whether learned in a classroom, on-the-job, or less formally.\(^{19}\)

54. The HEC has been leading the QFs consolidation process with support from REB and the WDA. The Rwanda Educational Qualifications Framework (REQF) was approved by MINEDUC’s Senior Management Meeting – a legal instrument establishing the REQF is being developed. The challenge going forward is to finalize this framework and operationalize it in specific sectors. The PforR will begin this operationalization with the energy sector where standards have been set, through a collaboration with employers, for the critical skills needed in the sector over the next ten years. The next step is for the WDA and HEC to identify which training institutes currently deliver programs in these critical skills and to assess whether they meet the set standards. New and amended training programs will need to be modularized which can potentially improve access by, for example, reducing financial costs (paying per module rather than the whole qualification), and can assist with regard to time commitment since people can take one course at a time rather than the whole qualification at once. The PforR will support the modularization of courses within the target sectors in line with the QFs developed. This will enable the development of career pathways and extend opportunities for training to a wider population.

3.2 Align financing incentives to foster market-responsive investments in skills

3.2.1 Support for long-term training opportunities through student loans and bursaries:

55. The Ministry of Education convenes key government stakeholders to evaluate and decide on student applications for financial assistance, following criteria that includes academic performance, field of study and financial means of the student. Each year, about 7,000 students are approved to receive assistance in the form of a combination of loans (which must be repaid at an interest rate of 11 percent a year, as soon as an individual starts earning an income following graduation) and bursaries (which are a grant and thus do not need to be repaid).

56. BRD signed a 10-year agreement with the GoR to administer the disbursement and recovery of loans under the student loan/bursary scheme beginning in October 2015. This relocation takes advantage of the BRD’s capacity for quick processing of payments of the loans, the part for tuition flowing directly to the education institutions and the part for living expenses to the student’s personal bank accounts.

57. The PforR will support the BRD to create a robust management information system (MIS) of individual students, which will be updated annually to capture changes in students’ enrollment status and field of study, as well as their employment following graduation. Creating a robust MIS on the student loan and bursary program—for current and past beneficiaries—is a critical step toward ensuring the program’s financial sustainability. The primary goal of the PforR will be to improve loan recovery rates in order to expand the GoR’s

\(^{19}\)http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@ifp_skills/documents/instructionalmaterial/wcms_103623.pdf
coverage of financial assistance.

3.2.1 Support for short-term training opportunities through the SDF

58. Under the previous IDA-financed SDP, a SDF was implemented on a pilot basis through the WDA. Given the successes recorded by the previous fund, the PforR will support the revival of the SDF. While the previous SDF was quite successful in terms of achieving the set objectives, a number of lessons were learnt that need to be considered in the future SDF facility, including a stronger labor market orientation and clearer private sector participation in governance of the Fund.

59. The SDF will support short-term training under Pillar 1 of the NEP including, employer-led short-term vocational training and apprenticeships, provision of labor market relevant skills for out-of-school youth, rapid-response training and Recognition of Prior Learning (RPL). The focus will be on short-term, practical and technical training of employees (including business skills for the informal sector) and school-leavers ranging from few days to not more than six months. The SDF will mainly finance costs associated with development and delivery of the supported training activities.

60. The SDF will be implemented through a matching-grant facility that will be co-financed by the private sector. Priority will be given to training activities that lead to improved productivity and competitiveness in the formal and informal sectors. Skills upgrading initiatives to be supported will be selected through a competitive process based on the merit and labor market relevance of the initiative. The applicant will need to demonstrate relevance by conducting an estimate of the demand for training and the expected impact.

61. The SDF will have three ‘windows’, catering for different target groups:

(a) **Window 1 - Rapid response training (US$4.0 million):** The objective of this window is address skills gaps experienced by enterprises in the formal sector and to promote collaborations between industry and training providers. SDF will co-finance short-term skills up-grading training courses for workers who are in the process of being employed by the applicant or existing workers in the applicant’s enterprise. Most applicants will be new investors in Rwanda (referred to the WDA by the Rwanda Development Board) who are looking to hire employees to support its business. The applicant/enterprise is expected to be in the lead position to define the content and duration of the training. Training can be provided to a single employer with a sufficient number of workers in need of upskilling or a number of employers with identical training needs. The enterprise (association of enterprises) will be the applicant. The applying company (group of companies) is supposed to identify the training provider it wants to partner with, but the SDF Secretariat may assist if needed.

(b) **Window 2 - Out-of-school youth training (US$5.0 million):** The objective of this window is to provide out-of-school youth with practical skills for work in labor-intensive trades that align them with local demand and opportunities. Priority will be given to non-traditional trades and trades relevant for women.
Also, skills upgrading courses for the informal sector will qualify for support under this window. Both non-agricultural and agricultural courses are eligible for support. The training may include an introduction to basic business skills. The grant may be used for acquiring basic tools needed for the training and, in rare cases, tool kits for particularly promising graduates.

(c) **Window 3 - Apprenticeships/internships (US$3.0 million):** The purpose of this window is to provide TVET students and graduates with an opportunity to acquire labor market relevant skills. Priority will be given to non-conventional trades and trades relevant for women. Two types of programs are eligible for support: a) Internships − placement of TVET students or graduates as interns in an enterprise/institution, and b) Apprenticeships − IBT organized by a company for out-of-school youth.

62. By its very nature, the Skills Fund will be supported over a limited time. The purpose is to develop skills in the short term to address market inefficiencies in training and ease the entry of out-of-school youth to the labor market. The sustainability of the Fund lies in the growth and productivity externalities of a well-trained labor force. The benefits of education, training, and skills not only accrue to individuals in terms of better labor market outcomes; they also benefit society as a whole. A skilled labor force contributes to improved growth and competitiveness for a country. Investing in the productivity and skills of people raises the incomes of economically vulnerable groups, thereby reducing poverty. As part of the PforR, the WDA will prepare a plan for the long-term sustainability of the SDF.

**Result Area 4: Capacity Building for Implementation (Not part of the NEP)**

63. In view of the foregoing restructuring and reforms that were described earlier, one obvious area of critical capacity building is Change Management. Each of the restructured institutions will need to adjust quickly to new leadership, new missions, integrate new departments, revise their Key Performance Indicators (KPIs) and become productive as one cohesive unit. While recognizing that the restructuring will result in better management of the skills development system in Rwanda, without proper change management, the process is not likely to be as smooth as it should or can be. As part of the restructuring, several Single Project Implementation Units (SPIUs) have been or are going to be established at several large agencies, including the WDA, UR and MINEDUC. It is important that the coordinators of the SPIUs are trained in project management, which has a structured methodology to ensure that projects are delivered on time and on schedule. A group of people with accredited project management certification will make a huge difference to the culture of project planning, resourcing, implementation and execution.

64. Beyond these generic capacity building areas that are required across institutions, there are also specific institutional capacity gaps within some of the implementing entities which were identified by the GoR and the World Bank during preparation. Within the UR, there is a need for technical expertise in competency-based curriculum planning and development, pedagogy and assessment, the use of ICT in the delivery of training programs and expertise to support the overall management and coordination of the UR. Under the WDA and RP, there is a need for more and better trained instructors, both in the relevant skills area as well as
pedagogy. In addition, the WDA will potentially require more and better skilled professionals to handle its quality assurance and regulatory function.

65. The CESB would like to establish a twinning/coaching partnership with an apex institution in another country that has successfully instituted a functional apex skills/employment entity and within the NEP Secretariat there is a focus on hiring technical experts to develop an effective M&E system for the NEP, which is adequately linked to the Joint Imihigo (Performance Contract). The HEC function of inspection and monitoring of tertiary education institutions will also need to be strengthened through the provision of technical experts and the BRD will need to hire a firm and full-time staff to develop and manage the MIS for the student loan scheme.

66. Given the varied capacity building needs across institutions to effectively implement the NEP, the World Bank and the GoR agreed that capacity building would be one of the key results areas under the PforR which is beyond the scope of the current NEP. There would also be a specific DLI targeting capacity building. The GoR will seek the support of an appropriate partner(s) through its existing bilateral relationships with countries that have proved to be successful in skills development, to provide capacity development support to all implementing institutions as and when required.

67. The PforR will target the following entities for capacity building: CESB, MINEDUC, HEC, BRD, UR, WDA, RP, and targeted training institutions. The five areas for capacity building are: (i) cross ministerial collaboration and accountability to undertake strategic planning, implement action plans to build skills for growth, and formulate a comprehensive Skills Development and Employment Promotion Strategy as a follow-on to the NEP; (ii) curriculum development to create new or update training courses and programs leading to specialized professional and technical qualifications in selected economic sectors; (iii) quality assurance of the training programs; (iv) management of student loans recovery; and (v) general project management, especially M&E, for the implementing institutions.

68. A detailed needs assessment will be conducted in each of the above areas to inform the preparation of a time bound capacity building action plan with clear milestones. In the first year of the Program, MINEDUC will enter into a Memorandum of Understanding (MoU) with a partner institution(s) to undertake capacity building support for implementing entities and Inception Report submitted with the quality acceptable to the World Bank. Annual reports will be produced to establish if the milestones set for capacity building have been achieved.

IV. Program Development Objective(s)

69. The Development Objective (DO) for this operation is to expand opportunities for the acquisition of quality, market-relevant skills in selected economic sectors.

70. The selected economic sectors include Energy, Transport and Logistics, and
Manufacturing (with a focus on ‘Made in Rwanda’ products)\(^{20}\).

71. The target sectors for developing skills were determined based on the following criteria: (i) priority sectors of focus under the EDPRS-2; (ii) sectors that employ large numbers of the population; (iii) sectors with potential for value addition and improved productivity; (iv) sectors where foreign direct investment is increasing and/or where significant public finances have been directed (v) sectors that will support growth in other sectors and (vi) sectors where there is insufficient financing from government and development partners (DPs).

72. The main results areas of the operation are:

(a) reinforcing governance of the skills development system;
(b) ensuring provision of quality training programs with market relevance;
(c) expanding opportunities for continuous upgrading of job-relevant skills for sustained employability; and
(d) capacity building for implementation.

73. Progress toward achievement of the PDO will be measured through the following PDO indicators:

(a) New or updated programs accredited for occupations in at least one of the selected economic sectors
(b) Percentage of SDF supported trainees employed/self-employed 6 months after graduation (% of female graduates)
(c) Improved sustainability of financing for long term training programs as measured by the rate of student loan recovery
(d) Capacity building for targeted entities in five areas, each with progress milestones, is completed

74. The PforR operation is expected to directly benefit approximately the following beneficiaries over its three years of implementation:

(a) 3,600 university students (long-term training at UR)
(b) 1,170 diploma students (long-term training at IPRCs or Polytechnic)
(c) 4,690 graduates from certificate programs (short-term training at TSSs or VTCs)
(d) 9,000 beneficiaries trained under SDF (short-term training)

75. This operation is being developed as the first of two phases, each phase of three years. The current operation will run through the end of the NEP program (2019/2020). The current operation will build the foundations of the long-term training program in terms of curriculum development and institutional capacity building, but it will take at least five years before the first cohort of undergraduate students will graduate from the programs and find employment. The current operation will, however, be able to track employment outcomes for individuals who access short-term training opportunities through the Skills Development Fund. The

\(^{20}\) Made in Rwanda Products include: (i) Construction materials: Cement, Iron & steel, Aluminum products, paints & varnishes, plastic tubes, ceramic/ granite tiles; (ii) Light manufacturing: Textile & garments, pharmaceuticals, soaps & detergents, reagents, packaging materials, wooden furniture and insecticides; (iii) Agro-processing: sugar, fertilizer, edible oil, dried fish, maize & rice.
second phase of the operation, depending on the availability of IDA resources, will also coincide with the development of a follow-on NEP.

V. Environmental and Social Effects

76. The Program will not finance any major civil works, and thus no anticipated adverse environmental and social effects are expected. The increase in numbers of students that this Program envisages by expanding short and long-term training in selected sectors is expected to lead to increased pressure on utilities such as water supply, water abstraction and waste water treatment. While the Program activities are not expected to have significant adverse environmental footprint, the Program provides an opportunity to enhance the recognition of environment, social, health and safety and long-term sustainability aspects in training institutions and programs at the technical, vocational and the university levels. Given that some of the key economic sectors targeted for skills development are the energy, transport, logistics and manufacturing (agro-processing and Made in Rwanda products) sectors, this Program provides an opportunity to improve due diligence measures related to management of energy, transport, logistics and manufacturing related issues, land acquisition, occupational health and safety, improved waste management, and enhancement of sanitation, specifically provision of safe and sufficient toilets especially for female students along with adequate and clean water supply systems.

77. Additionally, the programmatic approach to skills development provides an opportunity to enhance the recognition of environment, health and safety and long-term sustainability aspects in training institutions and programs at the alternative technical, vocational and the university levels. Three colleges under the UR are being targeted to deliver job-relevant degree programs and at the TVET level, beneficiary institutions will include six IPRCs and polytechnics as well as 12 VTCs/TSSs. The IPRCs and polytechnics will focus on two and three years of diploma / advanced diploma courses while the VTCs/TSSs will focus on shorter term training courses. In this context, the broad environmental goals of the Environmental and Social Systems Assessment (ESSA) would be to mainstream environmental and social due diligence and awareness into the programs, through special consideration being given to training proposals eligible under the SDF for inclusion of environmental sensitivity and management aspects or content, for example, in skills development in the construction sector, which is one of the key economic sectors.

78. Key beneficiaries of the student loans scheme will be monitored by gender and socio-economic status. The ESSA was prepared in a consultative manner, and documentation of the discussions, along with the ESSA will be disclosed in-country and in the Bank’s InfoShop.

79. The ESSA identifies strengths, gaps and opportunities in Rwanda’s environmental and social management system with respect to addressing the environmental and social risks associated with the program. The analysis identifies the following main areas for action in order to ensure that the Program interventions are aligned with the core principles of OP/BP 9.00. These include, among others, strengthening of technical guidelines for mainstreaming of environmental and social measures in various programs, improved skills and coordination among multiple agencies. These could be further defined during implementation, as required.
Key measures to strengthen system performance for environmental and social management will be summarized in Annex 6 and select actions included in the Program Action Plan.

80. Citizen engagement, participatory decision making, transparency and stakeholder involvement are major aspects of the program. Decision making that takes into account the active involvement of all the relevant actors at all levels will be encouraged. For training institutions, even though the key stakeholders are represented and involved through boards of training institutions, institutional leadership determines their level of involvement. For higher education facilities, participatory decision is less because the decision making process does not involve key stakeholder groups like parents and local councils that are historical agents of participatory approaches.

81. Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org

VI. Financing

<table>
<thead>
<tr>
<th>Table 3. Program Financing (US$1,153 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Pillar 1</td>
</tr>
<tr>
<td>Amount, RWF, mln</td>
</tr>
<tr>
<td>608,793</td>
</tr>
<tr>
<td>Percent of Total Program Financing</td>
</tr>
<tr>
<td>63.6</td>
</tr>
<tr>
<td>Pillar 2</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>733</td>
</tr>
<tr>
<td>4.3</td>
</tr>
<tr>
<td>Pillar 3</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>49</td>
</tr>
<tr>
<td>0.2</td>
</tr>
<tr>
<td>Pillar 4</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>58</td>
</tr>
<tr>
<td>5.0</td>
</tr>
<tr>
<td>Total government</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>699,373</td>
</tr>
<tr>
<td>73.1</td>
</tr>
<tr>
<td>Development partners</td>
</tr>
<tr>
<td>WB</td>
</tr>
<tr>
<td>Amount,USD, mln</td>
</tr>
<tr>
<td>120</td>
</tr>
<tr>
<td>10.4</td>
</tr>
<tr>
<td>Development partners parallel financing</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>190</td>
</tr>
<tr>
<td>16.5</td>
</tr>
<tr>
<td>Total development partners</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>310</td>
</tr>
<tr>
<td>26.9</td>
</tr>
<tr>
<td>Total program (p): Government + development partners</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>1,153</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>PforR (P): Government (Pillars 1 and 4) + WB</td>
</tr>
<tr>
<td>Amount, USD, mln</td>
</tr>
<tr>
<td>911</td>
</tr>
<tr>
<td>79</td>
</tr>
</tbody>
</table>
82. The total government program financing (p) amounts to US$ 1,153 million and includes government (73 percent) and development partner (27 percent) financing (see table 3). Several development partners (both bilateral and multilateral) have been supporting skills development related areas, and currently more than 10 development partners are actively supporting for upgrading skills in Rwanda through various interventions, and working with training institutions such as VTCs, IPRCs, universities; government agencies (for example, WDA, NCBS); ministries (for example, MINEDUC and MIFOTRA); and the private sector. Activities that development partners support vary from training of trainers, curriculum development/amendment and provision of facilities and equipment. Some development partners focus on skills in selected priority economic sectors while others provide overall support for the skills system (see table 4 below). PforR financing (P) comprises government financing for Pillars 1 and 4 of the NEP and the WB operation. PforR financing represents 79 percent of total program financing (p). The WB operations finances 10 percent of the total program (p) and 13 percent of the PforR (P).

<table>
<thead>
<tr>
<th></th>
<th>Tourism and Hospitality</th>
<th>Construction</th>
<th>Agro-processing</th>
<th>Manufacturing</th>
<th>Energy</th>
<th>ICT</th>
<th>Across economic sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swiss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIZ</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgian</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MasterCard Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Various sources such as WDA website, document obtained from skills working group.

VII. Program Institutional and Implementation Arrangements

83. The PforR will be implemented by the CESB and MINEDUC. The overall NEP is implemented by several ministries, though MINEDUC takes responsibility for Pillar 1 of the NEP and MIFOTRA (through CESB) takes responsibility of Pillar 4.

84. CESB will be responsible for implementation of Results Areas 1 and 4. CESB will be responsible for: (a) Strategic Human Resource and Capacity Development: (i) sector skills assessments; (ii) coordination of the strengthening of the skills development results areas within the NEP JPC; (iii) and strategic skills planning and (b) Employment Services (former NEP Secretariat): M&E of the implementation of NEP.

85. MINEDUC, alongside its semi-autonomous agencies, is responsible for implementation of Results Areas 2 and 3 of the PforR. Under the MINEDUC the main implementation agencies include the REB, WDA, RP (once established), HEC, and the UR. Additionally, BRD would be working with the REB on the student loans scheme. Specifically, under the PforR these agencies will be responsible for the following activities:
86. The WDA was established in 2009 as a public institution with regulatory and implementation responsibilities for TVET and has administrative and financial autonomy. It is responsible for coordinating TVET provision and providing strategic oversight of the TVET sector, this includes the identification of TVET subjects; the development of standards and curricula; inspections of TVET institutions; training of vocational and technical teachers; examination and certification; regulating and accrediting TVET institutions; supporting entrepreneurship development; and the establishment of a National TVET QF. In 2017, the WDA will be restructured to only focus on its regulatory function while other functions related to the coordination and implementation of TVET programs will be transferred to the RP. Under this PforR, the WDA will be responsible for: (i) adminstering SDF; (ii) operationalizing new national QF in targeted sectors alongside HEC and REB; and (iii) establishing standards for training programs, accrediting new/amended TVET programs and providing quality assurance for these.

87. RP will be established in 2017 and under the PforR will be responsible for: (i) coordinating short term and long term technical and vocational training under the targeted IPRCs, VTCs and TSSs and (ii) developing/updating curricula to be competency-based in collaboration with employers within the target sectors. The WDA will take responsibility for these functions whilst RP is being set up.

88. HEC is a semi-autonomous agency established in 2006. It is responsible for securing coherent provision of quality higher education in Rwanda and advising the Minister on all matters relating to the accreditation of higher education institutions. It is also responsible for monitoring and evaluating the quality and standards of the HLIs and enhancement of teaching and research. Under this PforR, HEC will be responsible for (i) operationalizing new national QF in targeted sectors alongside the WDA and REB; and (ii) establishing standards for training programs, accrediting new/amended HLI programs and providing quality assurance for these.

89. The UR is a special public organ that enjoys administrative, teaching, research and financial autonomy. As of FY2014/15, UR has been responsible for developing budget plans and reporting financial statements of the colleges and institutes. Under the PforR, UR will be responsible for: (i) delivering longer term training in the selected priority sectors; (ii) working with NCBS (CESB) on the sector skills assessments; (iii) developing/updating curricula to be competency-based in collaboration with employers within the target sectors and (iv) upgrading of staff.

90. REB and BRD will be responsible for the implementation of the student loans scheme. REB was established in 2010 as a semi-autonomous entity reporting to the Minister of MINEDUC. One of REB’s functions is to select beneficiaries who would receive support through the loans scheme. Once the students are selected, BRD will be responsible for administering the disbursement and recovery of loans under the student loan/bursary scheme.

VIII. Contact point

---

21 This function will likely be transferred to the HEC through the current restructuring process.
World Bank

Contact: Elizabeth Ninan Dulvy
Title: Senior Education Specialist
Tel: 5393+2229
Email: eninan@worldbank.org

Borrower/Client/Recipient
Contact: Ronald Nkusi
Title: Director of External Finance Unit, Ministry of Finance and Economic Planning
Tel: +250 252 575 756
Email: ronald.nkusi@minecofin.gov.rw

Implementing Agencies
Name of Agency: Ministry of Education (MINEDUC)
Contact: Samuel Mulindwa
Title: Permanent Secretary
Tel: +250 788 387 575
Email: smulindwa@mineduc.gov.rw

Name of Agency: Capacity Development and Employment Services Board (CESB)
Contact: Antonia Mutoro
Title: Director General
Tel: +250 788 301 163
Email: directorgeneral@cesb.gov.rw

IX. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop