



International
Labour
Office
Geneva

Employment Policy Department

EMPLOYMENT

Working Paper No. 232

2017

Assessment of public employment services and active labour market policies in Rwanda

Michael Mwasikakata

Employment
and Labour
Market Policies
Branch



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ISSN 1999-2939 (print); 1999-2947 (.pdf web).

First published 2017

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Printed by the International Labour Office, Geneva, Switzerland

Preface

The primary goal of the ILO is to work with member States towards achieving full and productive employment and decent work for all. This goal is elaborated in the ILO Declaration on Social Justice for a Fair Globalization (2008), which has been widely adopted by the international community. Comprehensive and integrated perspectives on achieving this goal are embedded in the Employment Policy Convention, 1964 (No. 122), the Global Employment Agenda (2003) and – in response to the 2008 global economic crisis – the Global Jobs Pact (2009) and the conclusions of the Recurrent Discussion Reports on Employment (2010 and 2014).

The Employment Policy Department (EMPLOYMENT) is engaged in global advocacy and in supporting member States' efforts to place more and better jobs at the centre of economic and social policies and growth and development strategies. Policy research and knowledge generation and dissemination are essential components of the Employment Policy Department's activities. The resulting publications include books, country policy reviews, policy and research briefs and working papers.

The Employment Policy Working Paper series is designed to disseminate the main findings of research on a broad range of topics undertaken by the various branches of the department. The working papers are intended to encourage the exchange of ideas and to stimulate debate. The views expressed within them are the responsibility of the authors and do not necessarily represent those of the ILO.

Azita Berar Awad
Director
Employment Policy Department

Foreword

Employment services play a critical role in the effective and efficient organization of the labour market with a view to the attainment of the long-term goal of full, productive and freely chosen employment. Employment services in a developing country context can assist in the implementation of employment policies, provision of labour market information and matching services and, with respect to the informal economy, promoting self-employment and formalization of such employment. In the latter case, employment services can provide information about various labour market programmes being offered, as well as ensure coordination of such services to maximize impact.

However, due to their low level of development and the limited capacities of government and institutions in general, developing countries have not been able to develop and benefit from the immense potential of public employment services (PES). The view that public employment services would not be effective in developing countries where the informal economy is large, and formal sector employment demand is weak, is now being somewhat questioned, as many middle-income developing countries in Latin America, Eastern Europe and Asia have stepped up efforts to revitalize their public employment services in the light of significant labour market information asymmetries, as well as the need to support labour market reforms aimed at confronting the growing challenge of youth unemployment and underemployment. The ILO has seen renewed interest and demand for technical assistance from Member States in modernizing their employment services.

English speaking Sub-Saharan Africa, with a few exceptions, has been lagging behind other regions in Africa, both in terms of development of PES and documentation of the experience. This study is part of a subregional knowledge development strategy by the ILO through action-oriented research, leading to the development of customized tools to strengthen employment services in the region. PES assessments were thus commissioned in three countries, Namibia, Rwanda and Zambia, with the expectation of extending them to other countries in the coming biennium.

This report on Rwanda examines the provision of employment services in the country by analysing the institutional, policy and legal frameworks. Rwanda has made significant efforts to coordinate the implementation of Active Labour Market Programmes through the establishment of the National Employment Programme in 2014, with an elaborate institutional coordination framework, within which, among other things, seven ministers are collectively accountable for the programme. However, the Public Employment Service is still at a fledgling stage, with only two centres in operation, and there is a lack of clear conceptual and organizational framework that would ensure coordination of the system. A number of specific recommendations are offered to the Government and constituents for the improvement of the PES. It is hoped that the implementation of these recommendations will kick start a long-term process of strengthening the employment service and ALMP provision as part of the national strategy to achieve the ambitious employment goals set out in the National Development Plan.

Sukti Dasgupta
Chief
Employment and Labour Markets Branch

Acknowledgements

This working paper was prepared by Michael Mwasikakata, ILO, Geneva. The author would like to express his sincere gratitude to the Permanent Secretary of the Ministry of Public Service and Labour (MIFOTRA) and the Capacity Building and Employment Services Board (CESB) and staff, and, in particular, to Ms Anna Mugabo, Head of National Employment Programs Coordination and Mr. Francois Ngoboka, Manager of the Entrepreneurship Division, for their invaluable support in the whole process of the assessment and their comments on earlier drafts of the report. The country coordination role, ably provided by Mr Jude Muzale, was essential to the successful completion of the exercise and is acknowledged with great appreciation. The author is also indebted to all the stakeholders, too numerous to mention, who generously offered their time during the initial consultations.

The contribution by Nijolè Dilbienè (consultant) during the initial consultations in Rwanda and to the first draft is acknowledged. Radu Bârză (intern) provided some further research work for updating some parts of the document.

Comments on the draft of the paper from Naoko Otobe and Pedro Martins, ILO, Geneva and from the participants in the seminar "Enhancing partnerships in implementation of Active Labour Market Policies and strategies to achieve National Development Goals" held from 23-27 October 2017 in Rubavu, Rwanda are acknowledged with appreciation.

The preparation of the working paper was coordinated by Michael Mwasikakata under the overall guidance of Azita Berar Awad and Sukti Dasgupta.

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List of abbreviation

| | |
|-----------|---|
| ALMP | Active Labour Market Policies |
| BDA | Business Development Adviser |
| BDC | Business Development Centre |
| BDE | Business Development and Employment |
| BDEU | Business Development and Employment Unit |
| BDF | Business Development Fund |
| BDS | Business Development Services |
| BDU | Business Development Unit |
| BIC | Business Incubation Centre |
| BPO | Business Process Outsourcing |
| CESB | Capacity Building and Employment Services Board |
| CII | Central Implementing Institution |
| CPC | Community Production Centre |
| CoK | City of Kigali |
| DKWC | District Kora Wigire Centre |
| EDPRS | Economic Development and Poverty Reduction Strategy |
| HLI | Higher Learning Institution |
| HR | Human Resources |
| IBT | Industry-Based Training |
| ICPC | Integrated Craft Production Centre |
| ILO | International Labour Organization |
| IPRC | Integrated Polytechnic Regional Centre |
| LMI | Labour Market Information |
| LODA | Local Administrative Entities Development Agency |
| M&E | Monitoring & Evaluation |
| MIFOTRA | Ministry of Public Service and Labour |
| MIGEPROF | Ministry of Gender and Family Promotion |
| MINALOC | Ministry of Local Government |
| MINECOFIN | Ministry of Finance and Economic Planning |
| MINEDUC | Ministry of Education |
| MINICOM | Ministry of Trade and Industry |
| MSME | Micro, Small and Medium-sized Enterprises |
| MVT | Mass Vocational Training |
| MYICT | Ministry of Youth and ICT |

| | |
|--------|---|
| NCBS | National Capacity Building Secretariat |
| NCPD | National Council of Persons with Disabilities |
| NEProg | National Employment Programme |
| NES | National Employment Secretariat |
| NIRDA | National Industrial Research and Development Agency |
| NISR | National Institute of Statistics of Rwanda |
| NYC | National Youth Council |
| PES | Public Employment Service |
| PrEA | Private Employment Agency |
| PSDYE | Private Sector Development and Youth Employment |
| PSF | Private Sector Federation (Rwanda) |
| PWD | People with Disabilities |
| RCA | Rwanda Cooperative Agency |
| REB | Rwanda Education Board |
| RDB | Rwanda Development Board |
| RRT | Rapid Response Training |
| SACCO | Savings and Credit Cooperative |
| SSC | Sector Skills Council |
| TVET | Technical and Vocational Education and Training |
| VUP | Vision 2020 Umurenge Programme |
| WDA | Workforce Development Authority |
| YEGO | Youth Employment for Global Opportunities |

Executive Summary

Introduction

This report is based on the mission by the ILO in December 2016 to make an assessment of the Public Employment Services in Rwanda and submit recommendations for the development of a roadmap to strengthen employment services. The Government requested the ILO, as part of its support towards the development of pro-employment policies, for technical assistance in this regard.

Employment services play a critical role in the effective and efficient organization of the labour market and achieving the long-term goal of full, productive and freely chosen employment. By facilitating the efficient matching of supply and demand for labour and alleviating structural and frictional bottlenecks in the labour market, employment services contribute to a better functioning of that market, improved productivity and overall growth and poverty reduction. Employment services in a developing country context can assist in the implementation of employment policies, in the provision of labour market information and matching services and, with respect to the informal economy, provide an incentive to self-employment and formalization .

Public employment services play a central role in the coordination and implementation of national employment and labour market policies. A strong and effective PES in Rwanda would go a long way to supporting the employment objectives of EDPRS II through the National Employment Programme (NEProg). It would also play a significant role in the implementation of the revised National Employment Policy.

The PES in Rwanda is still in its infancy, having been established only in 2013 through decentralized employment service centres (ESC), currently in Kigali and Musanze. Over the four years of its existence, around 3,000 jobseekers have been registered against a total of almost 1,500 vacancies. Out of these, around 400 jobseekers were placed in employment. There are, however, more significant achievements with regard to jobseekers benefiting from measures to enhance their employability, thereby empowering them to navigate the labour market with relative ease.

The capacity of the PES however needs to be strengthened if it is to play its rightful role more effectively. This report provides an analysis and recommendations, as well as a preliminary roadmap for strengthening PES in Rwanda.

Findings of the Assessment

1. *Public Employment Service: not fully developed; lack of consensus on its role*

In Rwanda, the Public Employment Services (PES) is part of the comprehensive set of labour market policies and institutions put together by the Government to help achieve the national goal of creating 1.8 million productive non-farm jobs by 2020, and reducing the share of agricultural employment to 50%. The employment service centres are established as stand-alone entities, reporting to their respective local government management, although technically to MIFOTRA. Commendable efforts have been made and some concrete results have been achieved during the four years of operation.

However, the conceptualization of the PES should be strengthened in terms of its goals and objectives, scope and coverage, means of delivery, partnerships, etc. At present, its organizational structure is far from clear and the role of key institutions (MIFOTRA, city and municipal governments and the ESCs) are not clearly defined. There is a lack of clarity among policy makers around the role the PES is supposed to play. While some of them saw PES as vehicles for implementation of the national development and employment policies, others felt they were transitory institutions that would eventually be transferred to private ownership for long-term sustainability. There is no law establishing the PES, nor is there any law that regulates private employment services.

The establishment of the Capacity Building and Employment Services Board (CESB) is a step in the right direction towards establishing a viable functional model and a clear organizational structure for the PES. The CESB could serve as the national PES administrative body through its National Employment Programmes Coordination Department. Nevertheless, the role of PES in the implementation of the national employment policy through the National Employment Programme needs to be reviewed and strengthened.

2. The institutional, human resources and financial capacity of the PES reveal shortcomings

The acquisition and retention of high quality staff for the PES, with continuous training to refresh and enhance their skills, is indispensable for effective provision and delivery of employment services and active labour market policies (ALMP). The Kigali Employment Service Centre (ESC) has seven members of staff out of the approved establishment of twelve, while Musanze has two staff in place. Each frontline staff member is thus potentially responsible for 274,000 working age people, 23,794 unemployed and 755 jobseekers. These are, even by developing country standards, high workloads, compared to a caseload of up to 200 in the EU, 267 in Tunisia and 577 in Egypt.

The physical infrastructure and equipment of the employment service centre are as important as the services provided. The PES uses the Youth Employment for Global Opportunities (YEGO) centres which have good facilities. These however need to be equipped and serviced. Some, e.g. in Kigali, are located far from the transport network.

The ESCs are highly under-funded and donor dependent. The sources of funding are not diversified and are not secured. It is not clear who is responsible for funding their operations and interventions.

3. The existing services are limited in scope and lack depth

Functional public employment services tailor their products to the needs of their clients, with the objective of empowering them to find jobs and make informed decisions about their careers and lifelong learning strategies. While the Kigali ESC has systematically introduced services to jobseekers and employers, the range and sequencing of those services are still under-developed. The ESCs have not succeeded in enlisting the private sector to effectively use their services in spite of the efforts made to attract them.

Matching services are weak. Less than 3 in 10 vacancies announced by employers are filled by the PES. The centres do not have a mechanism for recording the number of placements made. No follow up is done to ascertain the outcomes of the referrals to employers. Placements are estimated on the basis of using tracer studies, which are more costly, and may not be sustainable in the long run.

Active Labour Market Policies are essential in integrating, or reintegrating, the unemployed and underemployed in productive employment and in enhancing their employability. Where the PES is established, it plays a significant role in coordinating as well as implementing ALMPs. In Rwanda, ALMPs are implemented through the National Employment Programme (NEProg). Due to the absence of a conceptualized PES system, the PES does not fulfil its facilitation role. It could register and profile jobseekers and allocate them to NEProg ALMPs that best suit their aspirations and capabilities, making employment outcomes more durable and improve labour market information needed for planning purposes.

Government and stakeholders are registering unprecedented achievements in the implementation of the NEProg. The integration and coordination of services brought about by the new structure is clearly delivering results. However, the monitoring and evaluation (M&E) system needs to be strengthened and streamlined to ensure that results are sustainable and measure impact.

4. Partnerships with other service providers, including private employment agencies (PrEA) are weak

The ILO Employment Service Convention, 1948 (No.88) requires PES to ensure optimal organization of the labour market for full and productive employment in collaboration with other stakeholders. The Private Employment Agencies Convention, 1997 (No.181) recognizes the importance of private employment agencies in a well-functioning labour market while putting in place safeguards for protection of workers. It also promotes cooperation between the PES and private providers of employment services.

There is a growing market for private employment agencies in Rwanda providing a range of services from intermediation and placement to human resources and financial services. There is however no law that regulates private employment agencies, which not only risks exploitation of workers but also places constraints on orderly cooperation with PES. With the Labour Mobility Policy in the offing, development of PrEA legislation should be expedited.

Recommendations

Recommendation 1: Conceptualize and develop a public employment services system in Rwanda

- 1.4 Develop a PES policy and strategy and organizational structure and functional model, building on what already exists.
- 1.2 Clarify the institutional framework and link to NEProg ensuring that PES plays a facilitating and coordination role.
- 1.3 Create a network of employment services consisting of private and third sector organizations.
- 1.4 Enhance the role of the social partners in the PES through tripartite advisory boards established at national and local government level.

Recommendation 2: Create a legal framework conducive to the operation of the PES and other employment services providers

- 2.1 Enact, as soon as possible, a conducive legal framework that gives a clear mandate to the PES and regulates the operations of PrEAs.
- 2.2 Consider ratification of the Employment Service Convention, 1948 (No. 88) and the Private Employment Agencies Convention, 1997 (No.181).
- 2.3 Promote adoption of codes of ethics and voluntary compliance among private providers under the leadership of PSF.

Recommendation 3: Strengthen the capacity of Public Employment Service (PES)

- 3.1 Strengthen human resources capacity by undertaking a comprehensive analysis of the human resources and training needs and ensure prompt filling of vacant posts.
- 3.2 Strengthen the institutional capacity and facilities of the PES including office ambiance and facilities for jobseekers in the job centres and establishment of sub-centres and kiosks in central locations.

Recommendation 4: Ensure a sustainable system for financing the PES

- 4.1 Increase the central and local government allocation from the budget to CESB and ESCs, with preference given to less endowed municipalities.
- 4.2 Intensify and strengthen the resource mobilization strategy through a collaborative effort by CESB, MIFOTRA and local governments as well as through a review of the implementation of the NEProg ALMPs.
- 4.3 Incorporate a provision in the TVET Act that introduces a Training Levy/skills financing model requiring a percentage of the Fund to be used for financing the PES and ALMPs.

Recommendation 5: Develop and implement a centralized online jobs portal

- 5.1 Conceive and design a framework for the online matching portal, the host institution and linkages with other portals/databases.
- 5.2 Introduce online services such as career information, training materials and courses, staff guidance materials and self-improvement, certification of education and background credentials for jobseekers, ALMPs, etc. and integrate the use of social media.
- 5.3 Ensure access to the portal in remote areas where Internet facilities may not be widely available by making provision for offline registration, installing online and offline kiosks in central locations in rural areas, such as in Community Production Centres (CPC) and Integrated Craft Production Centre (ICPC), technical schools, community centres, etc.
- 5.4 Develop a National Standard Classification of Occupations in collaboration with MINEDUC and the Sector Skills Councils.

Recommendation 6: Enhance the central coordinating role of the PES as a key player in the labour market

- 6.1 Strengthen communication mechanisms to improve awareness of the PES among potential clients and the public.
- 6.2 Expand the range and integration of services provided, with particular attention to SMEs: 98% of enterprises in Rwanda are SMEs accounting for 41% of private sector employment.
- 6.3 Diversify models of service delivery and other structures to reach out to women, rural youth and people with disabilities as well as other vulnerable groups.

Recommendation 7: Strengthen partnerships with other employment services providers

- 7.1 Undertake a comprehensive mapping of non-state employment services and ALMP providers at all levels and strengthen PES linkages to the NEProg.
- 7.2 Promote collaboration with PrEAs and NGOs and consider development of an Employment Service Network.

Recommendation 8: Strengthen the capacity of the PES for collection and analysis of labour market information

- 8.1 Develop and use the jobs portal to collect, analyse and disseminate administrative data on registered labour market participants.
- 8.2 Build the capacity of PES staff to undertake detailed analysis of wider labour market information from various sources, and convert it to useful information for informed policy and programme development.
- 8.3 Ensure collaboration with other actors, such as the National Institute of Statistics Rwanda (NISR), MINEDUC, MINICOM, etc. to fill gaps in labour market information.

Recommendation 9: Strengthen the implementation modalities and performance management system for the NEProg

The unprecedented success of the NEProg in its first two years of implementation is very encouraging. In addition to the reporting protocols already in place, systems should be developed to measure the impact on employment and other outcomes objectively.

Introduction

The Rwandan Government has prioritized the creation of productive and decent employment in its national development policies. Its goal is to create 200,000 productive non-farm jobs annually between 2011 and 2020, translating into 1.8 million net non-farm jobs and a reduction in the share of agriculture-based employment to 50 percent from 72 percent in 2011.

To achieve the employment objectives of the second generation Economic Development and Poverty Reduction Strategy, EDPRS II, (2013-2018) the Government launched the National Employment Programme (NEProg) in 2014 as a framework for coordinated implementation of employment and labour market policies. The NEProg comprises three substantive pillars: employability skills development; entrepreneurship and business development, and labour market interventions. These are supported by a fourth pillar: Coordination and M&E.

The Public Employment Service was established in 2013 as part of the labour market interventions to support the achievement of the Government's ambitious employment targets. The Government requested the ILO, in the context of its support for the development of pro-employment policies, for technical assistance in strengthening its employment services. This report is based on the mission undertaken by the ILO in December 2016 to undertake an assessment of the Public Employment Service in Rwanda with a view to developing recommendations that could be used to propose a roadmap for strengthening employment services.

Employment services play a critical role in the effective and efficient organization of the labour market, and the attainment of the long-term goal of full, productive and freely chosen employment. By facilitating the efficient matching of supply and demand for labour and alleviating structural and frictional bottlenecks in the labour market, employment services contribute to a better functioning of the labour market, improved productivity, overall growth and poverty reduction. Employment services in a developing country context can assist in the implementation of employment policies, provision of labour market information and matching services and, with respect to the informal economy, promoting self-employment and formalization of such employment. In the latter case, employment services can provide information about various labour market programmes being offered, as well as ensuring coordination of such services to maximize their impact.

The mission held consultations with key stakeholders, including employers' and workers' organizations (See annex 1 for details). In addition to the consultations undertaken, the mission analysed several key documents collected during the mission and through other sources in order to have a balanced and evidence-based set of recommendations. The Government will organize a stakeholders meeting to discuss the draft assessment report and develop a draft national action plan for strengthening employment services.

The report provides eight recommendations, suggesting specific measures that could be implemented both in the short term ("quick wins") as well as in the medium to long term. An additional recommendation on how to strengthen the implementation of the NEProg is also suggested.

The specific objectives of the assessment were as follows:

1. Provide information on the current status of the public employment service in Rwanda, the role it currently plays and its potential future role;
2. Undertake a review of key Active Labour Market Policies/Programmes implemented in Rwanda, and, in particular, the underlying institutional framework, coordination and supporting monitoring and evaluation systems and the role employment services could play;
3. Develop a phased practical action plan to strengthen employment services and coordination of ALMPs in Rwanda;
4. Suggest a viable model for strengthening employment services by building on partnerships with other service providers; and
5. Contribute to capacity building of the Government and its affiliated institutions, social partners and other stakeholders.

1. National Context

Rwanda has enjoyed robust economic growth, averaging around eight percent since the early 2000s, and still over six percent in 2016, despite the less favourable external factors. This remarkable growth has been accompanied by an enormous improvement in social indicators. Poverty has declined by 18 percentage points over a decade, from 57 percent in 2005/6 to 39 percent in 2013/2014. Extreme poverty has followed suit, dropping by over 19 percentage points to 16.3 percent during the same period. Inequality has also fallen, from 0.52 to 0.45, while net attendance in school jumped from 10.3 percent to 23 percent. The Government's targets were to reduce poverty to 20 percent by 2020 and achieve middle income status.

In the labour market, the story is not so impressive: while unemployment rates have remained very low, consistent with, or near, conventional full employment, underemployment and informal employment are high and may pose a challenge to further poverty reduction. Time-related underemployment was 31 percent in 2014 and up to 41 percent among farm wage workers. Almost 9 out of 10 employees are in informal employment. This is not surprising as, in the absence of comprehensive unemployment benefits, the poor cannot afford to be unemployed and are compelled to engage in any economic activity for survival.

Agriculture is still the main contributor to total employment at 68 percent, down from 72 percent in 2011. The Government is targeting a structural shift away from agriculture, to a share of total employment as low as 50 percent by 2020. This will be achieved through the creation of 1.8 million non-farm productive jobs. The main challenge for the Government in achieving this structural shift pertains to the fact that the private sector is young and small. An estimated 98 percent of enterprises are SMEs, of which 97.8 percent are micro and small enterprises, accounting for 41 percent and 36 percent of private sector employment respectively, thus the remaining two percent, or just over 120 enterprises, account for 59 percent. A sustainable reduction in poverty and informal employment, therefore, is dependent on growing the MSMEs so that they can create more and better jobs.

Unemployment in Rwanda is mostly urban-based and increases with education, which poses a threat to societal coherence and national security. Achievement of the ambitious employment targets contained in the national development plans needs a credible and comprehensive pro-employment policy framework that addresses macroeconomic, structural and labour market policies. The strategy needs to promote employment-rich growth, address structural bottlenecks in the labour market, and facilitate faster and better integration of the unemployed and jobseekers into productive work. Education and skills development is one of the key challenges to overcome shortages, gaps and mismatches in skills provision in the labour market. This demands mechanisms to align education and skills development to the realities of the labour market. Institutions such as the Public Employment Service could play a critical intermediary role in this regard.

The Government is fully aware of the scenario described above and has put in place several policies to address the challenges. One of the flagship programmes is the National Employment Programme (NEProg) launched in 2014. It provides a framework for a coordinated approach to the implementation of active labour market policies across all sectors of the economy. Its stated objectives are: (1) to create a sufficient number of adequately paid, sustainable jobs across the economy, (2) to equip the workforce with vital skills and attitudes to deliver the increased productivity necessary for private sector growth, and (3) to provide a national framework for coordinating all employment and related initiatives and activities in the public and private sectors and civil society (MIFOTRA, 2014).

The integration of the country into the East African Community (EAC) is an opportunity that should be seized in order to maximize the benefits and minimize losses that may arise. It provides a wider market for goods and services as well as labour, increases competition, and hence efficiency, and choice for the citizens of the Community. On the other hand, Rwanda needs to develop its skills and infrastructure to reap benefits.

2. PES policy and strategy

The idea of establishing a public employment service in Rwanda was conceived by the Ministry of Public Service and Labour (MIFOTRA) as part of a multi-pronged strategy aimed at realizing the national goal of creating 200,000 productive non-farm jobs annually from 2012 to 2020, as envisioned in its Vision 2020 and the EDPRSII to address high underemployment rates and urban unemployment rates, mainly affecting educated youth. The rationale for the PES is thus rooted in the overarching vision for the country, as well as the national development strategy.

While the Ministry of Public Service and Labour was clear about the role of public employment service centres, which would be established at municipal and, later, at district level, as bridges between jobseekers and potential employers, there is not yet in place a clear conceptualization of the PES in terms of its main objectives, scope and coverage, means of delivery and partnerships as well as its strategic fit within the overall institutional framework for labour market policies encapsulated in the National Employment Programme. The assessment revealed that there were different opinions among policy makers regarding, in particular, the role of public employment services and employment service centres. While some saw them as vehicles for implementation of the national development and employment policies, others felt they were transitory institutions that would eventually be transferred to private ownership for long-term sustainability.

Public employment services act as a catalyst in the realization of national employment creation goals and objectives by facilitating a more efficient transition from unemployment/underemployment to productive employment, through matching and employability enhancing measures, and indeed, through direct employment creation programmes. According to the ILO Employment Service Convention, 1948 (No.88), the PES is responsible for ensuring the optimal organization of the labour market in collaboration with other stakeholders. To perform these roles, there is need for a conceptualization of the PES system and how it relates to other service providers, such as private employment agencies and not-for-profit organizations. Research and experience in developing and emerging countries show that public employment services can play a critical role in improving labour market efficiency, and that their effectiveness and sustainability can be assured through the establishment of networks and partnerships with private and not-for-profit organizations to create a critical mass of services that have an impact on addressing labour market failures. Regarding overall strategy, the PES may choose to offer universal services to all clients or may target particular groups in the labour market, depending on the availability of other service providers and the needs of different labour market participants.

Furthermore, a supporting legal framework is essential to ensure that the PES has a legitimate mandate to deliver services and also to regulate the operations of private providers, so as to assure a proper balance between labour market flexibility to promote competitiveness, and the imperative to provide safeguards against abuse of workers and exploitation by unscrupulous economic agents¹. While Rwanda appears to have an implicit policy in favour of private employment services providers, there is no supporting legal framework to regulate their operations. The public employment centres likewise do not have a legal backing, as there is currently no law that provides for their mandate.

¹ The two main ILO instruments in this respect are: The Employment Service Convention, 1948 (No.88) and the Private Employment Agencies Convention, 1997 (No.181) which provide guidance to ratifying member states on how to establish and operate public employment services and how to regulate and cooperate with private employment agencies, respectively.

The lack of a clear PES policy and strategy have had knock-on effects on the positioning of the PES in the overall coordination mechanism for active labour market policies, the National Employment Programme, where rather than playing a facilitating role, the employment centres are treated as just one of the institutions that contribute to the creation of employment. While, admittedly, reasonable efforts are being made to harmonize the approaches of the respective employment service centres, their efforts are limited by the absence of a framework to guide each new centre. They depend on learning from the older centres, relying on them for mentoring of staff. Moreover, the policy and strategy of the centres to date have drawn heavily on the experience of the development partners that provide them with support. In the absence of a clear overarching policy framework and strategy for the PES, the following section is a summary account of the policies and strategies of each employment service centre.

Kigali Employment Service Centre (KESC)

Launched in May 2013, the KESC provides intermediation services in the city of Kigali between jobseekers and employers, as well as enhancing the former's employability through training, both labour market and entrepreneurship. Intended as a one-stop employment centre to facilitate access to employment, the Centre has a broad target clientele: "serving all customers – high school leavers, diploma holders, undergraduates and graduates". The focus on jobseekers with high school diplomas and above is in response to the fact that unemployment is concentrated amongst secondary school leavers and holders of bachelor degrees. However, most of the underemployed, mainly jobseekers with little education, may need to move on to more productive employment if the target of reducing poverty to 20 percent by 2020 is to be achieved. Their exclusion from the Centre's target population may, therefore, have to be reviewed in the future. Moreover, based on the experience of its few years of operation, the KESC has had to adapt its strategy to enhance the focus on women and people with disabilities, who seem to be lagging behind in terms of access to its services.

The stated vision of the KESC is to become an excellent employment service centre that satisfies the needs of jobseekers and employers. Its mission is to empower jobseekers and increase their competitiveness by facilitating access to labour market information and employment, and offering career-related training and guidance services, as well as assisting employers in the recruitment process by offering vacancy registration and linking them to well-prepared job applicants. This is to be achieved through a set of objectives revolving around support to lifelong career choices for the young, employability enhancement through labour market training, provision of job search assistance and placement services including job fairs. It also involves reducing information asymmetries through the provision of labour market information to jobseekers, employers, training providers and the public, and enhancing services to employers to meet their skills needs.

Musanze Employment Service Centre (MESC)

One of the EDPRSII objectives and strategies to achieve the targeted high growth rate of 11.5 percent per annum is the promotion of secondary cities through urbanization and infrastructure development. The Government has set itself an ambitious plan to increase the rate of urbanization from 16.5 percent in 2012 to 35 percent in 2020, an increase of over 210 percent over the eight-year period.²

² Ministry of Infrastructure (MINIFRA), 2015. [http://www.mininfra.gov.rw/index.php?id=19&tx_ttnews\[tt_news\]=114&cHash=9c8a9c78dc839c198b4b013cf4e8f419](http://www.mininfra.gov.rw/index.php?id=19&tx_ttnews[tt_news]=114&cHash=9c8a9c78dc839c198b4b013cf4e8f419). Accessed on 16 May 2017

The establishment of the Musanze Employment Service Centre is therefore consistent with the Government's urbanization policy, contributing to increasing employment opportunities for new urban dwellers. The Centre builds on the positive experience of the Kigali Employment Service Centre and targets urban dwellers, "men and women, young and old, educated, semi-educated and uneducated especially vulnerable individuals that will need such kinds of service" (MESC, 2016).³ The MESC therefore departs from the focus of KESC in that it covers all educational levels and all groups in the labour market, provided they are in urban areas. This policy focus has implications for outreach services to the underemployed in rural areas.

Like its counterpart in the City of Kigali, the MESC's goal is to facilitate jobseekers' access to labour market opportunities by acting as a bridge between employers and jobseekers and a source of information. This would be achieved by various measures: provision of intermediation services and job search assistance including career fairs, improving services to employers, labour market training including internships and apprenticeships, forging alliances and partnerships with stakeholders such as career advisers in higher education institutions as well as services to the diaspora for their reintegration in the labour market.

Towards a PES System

In conceptualizing the overall set up, policy and strategy of the Public Employment Service in Rwanda, the Government needs to look beyond its intermediation role and consider developing strong institutions that offer a fully-fledged and integrated range of services, including collection and analysis of labour market information and implementation of active labour market policies. Furthermore, while information asymmetries are, and will remain, one of the justifications of the public employment services, matching of vacancies to available skills, the limitations posed by the large informal sector cannot be ignored. It is therefore important to build mechanisms into the policy strategy to enable the PES to participate actively in, and contribute to, job creation in secondary cities within the framework of local investment strategies, economic development and business development initiatives.

In many developed and some emerging countries (e.g. in Latin America and Eastern Europe) local economic development boards have been developed to spearhead development at local level. The PES plays a critical role, either as coordinator or simply as one of the partners.

It is a fact that developing functional employment services requires resources which many developing countries, including Rwanda, may not have. Developed countries built up their PES from their own resources during a time when the PES had a monopoly over provision of employment services. As the monopoly was gradually lifted, mainly through adoption of the Convention concerning Fee-Charging Employment Agencies (No. 96) in 1949 and, finally, the Private Employment Agencies Convention (No. 181) in 1997, they diversified the mode of delivery to include cooperation with private and not-for profit employment service providers, contracting out services or forming partnerships with them. In developing countries, particularly in Latin America, research has shown that governments can overcome their institutional and financial constraints by collaborating with other public institutions, private employment service providers and non-governmental organizations in the creation of networks and partnerships.

³ <http://www.mesc.rw/background/>

An example of a public-private model for providing employment services can be found in Colombia where the PES (SENA) has mobilized local governments, family subsidy associations, private employment agencies, online job databases, job information agencies, and jobs banks to form an employment service network. The PES licenses and regulates the private providers, sets general standards and mobilizes resources for the administration of the network. The providers run employment centres or access points for jobseekers and employers (Zulum, 2015). Another example is India, which has harnessed advances in information technology and developed a nationwide National Career Service portal bringing together different players –state employment agencies, jobseekers, employers, private employment agencies, counselling and vocational guidance service providers, training institutions, business development providers, as well as informal employment in households by registering artisans. Moreover, public and private service providers and NGOs can cooperate in establishing and running career centres, which are in effect reformed employment exchanges (ILO, 2017 forthcoming).

Link to other policies and strategies

To ensure policy coherence and build synergies, the PES policy framework and strategy should be aligned to the objectives and goals of the National Development Plan (EDPRS II) and the National Employment Policy, currently being revised and shortly to be adopted. Other policies of relevance include the Workplace Learning Policy, the Labour Mobility Policy and the National Small and Medium-Sized Enterprise Strategy, to mention but a few.

3. Organizational structure and functions of the PES

Structure of the PES

Rwanda operates a semi-traditional decentralized system of employment services comprising the Ministry of Public Service and Labour as the policy maker and employment service centres established and operated by local government entities at city and district level. Currently there are only two employment service centres in Rwanda, one in the capital, Kigali, run by the City of Kigali and the other in Musanze (Northern Province) (launched in 2016).⁴ The Ministry plans to establish three more such centres in the other three provinces namely, Rusizi (Western Province), Nyagatare (Eastern Province) and Huye (Southern Province) in the medium term, and in all 30 districts in the long term, each based on a well-defined memorandum of understanding (MoU).

The choice of the initial districts is based on the willingness of the local mayors to establish them following consultations with the Ministry in 2015. The central government provides resources for staff salaries, procurement of equipment and training of staff for 1-2 years, and thereafter the district administration assumes all the costs. The districts are expected to provide office accommodation from the start of the project. The local mayor is responsible for performance management and monitoring of results, and reports regularly, on a monthly basis, to the umbrella Ministry in line with the MoU and the performance contract they sign with central government.

As discussed in the previous section, there is no concrete PES policy and strategy in Rwanda, and this is reflected in a rather loose organizational structure. The MIFOTRA is responsible for negotiating the establishment of employment service centres with local government entities and supports them in resource mobilization. In collaboration with other stakeholders, it develops employment policies and relevant laws that directly or indirectly affect public employment services and is also responsible for developing specific PES policy and strategy. Furthermore, its remit includes setting standards for performance management and achievement of targets at national level. The Ministry also retains responsibility for setting up a Labour Market Information System, hosted on its website.⁵ The Director General responsible for labour and employment, with the staff of the Division of Labour and Employment Research, LMIS, and the National Employment Programme Secretariat, are directly responsible for undertaking the above tasks, overseeing employment service centres at city and municipal level.

The city, municipality or district councils not only host but also own the employment service centres. They are responsible for financing, staffing and management decisions, as well as the type and level of services offered. The mayors are accountable to central government under the government *Imihigo* performance management contracts. Day-to-day oversight of the PES is entrusted to the Business Development and Employment Units of the local administration. The Centres report to the Mayor and technically to MIFOTRA. While, in principle, the employment service centres are devolved from central government, in practice the latter holds a lot of influence over them, particularly as they are also part of the

⁴ There are also University Career Advisory Service Centres that provide basic employment services. The Rwanda Association of Local Government Authorities (RALGA) also provides employment services to local governments (on a membership fee or contract basis).

⁵ (<http://lmis.gov.rw/index.php?id=2>)

institutional framework of the National Employment Programme. This phenomenon, however, reflects in large part the general institutional framework of the public sector in Rwanda, where the central government ensures close monitoring of local government entities to assure the achievement of national targets⁶. While local governments have financial independence, decisions on services to be offered are made in collaboration with MIFOTRA.

The creation of the Capacity Building and Employment Services Board (CESB) in 2016 filled the vacuum that existed due to the absence of an administrative body to manage the PES at national level. While the Ministry of Public Service and Labour indirectly played this role, the ensuing potential conflict of roles as both regulator and implementer was apparent. The Act establishing the CESB stresses the importance of building capacity for matching the supply and demand side of the labour market and aligning the two to promote employment (Government of Rwanda, Special Gazette, 2016).⁷ The labour market information function, the National Employment Programme Secretariat and the employment services have moved to the Board from the Ministry. According to the CESB's organizational chart, the National Employment Programmes Department will have charge of the Employment Services Division comprising seven members of staff. The other two divisions, Labour Market Information Management and Entrepreneurship, will also have a bearing on the work of the PES through collection, analysis and dissemination of LMI and management of the centralized jobs portal, as well as designing and implementing ALMPs relating to support for entrepreneurship and self-employment. (See Annex 3 for the new organizational structure).

Rwanda does not formally involve the social partners in the management of employment services, as there are no tripartite boards in place. In practice, however, employers are consulted through their representative organizations such as the Rwanda Development Board and the Private Sector Federation.

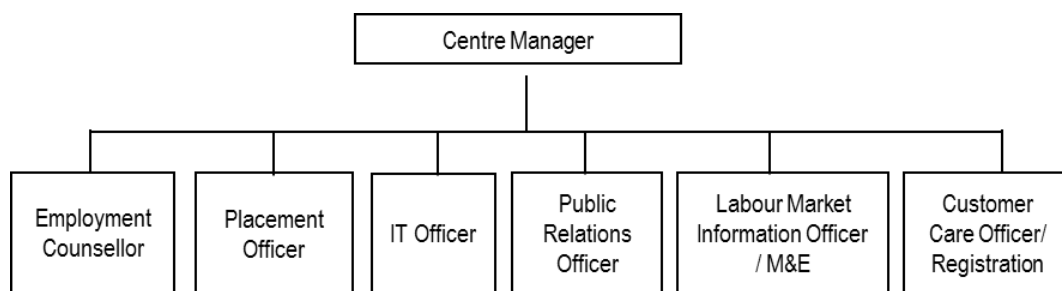
A clear and manageable organizational structure is critical to the functioning of the PES, as it shows the chain of command, reflects the functions of each level and facilitates performance management, monitoring and evaluation. While there is an implicit structure in place, the Government should consider preparing a concrete organizational structure detailing the levels, hierarchical authorities, administrative/financial autonomy and division of functions. In addition to the *Imihigos*, an internal performance management system should be put in place.

The employment service centres have a flat structure comprising the centre manager and various functions relating to counselling, services to employers, IT, labour market information and M&E, public relations and registration of jobseekers. The KESC has a total of seven positions (see Figure 1 below) while the MESC, having just been opened in 2016, has three staff positions in place, comprising the centre manager, the counselling officer and IT officer. In order to be able to meet the growing demand and deliver more services, the functional structure of the two centres needs to be augmented. In its strategic plan for 2014-19, the KESC plans to expand the counselling, IT and services to employers' staff (City of Kigali, 2015).

⁶ The Office of the President signs performance contracts (*Imihigo*) with all managers in the public sector and these are monitored very closely.

⁷ Act N°43/2016 of 18/10/2016, establishing the Capacity Development and Employment Services Board and determining its missions, organization and functioning, Article 5.

Figure 1. KESC organizational chart



Source: KESC Procedure Guide, 2016

Functions of the PES

Public employment services, when fully developed, deliver four major functions in an integrated and properly sequenced manner, namely: a) job search assistance and placement including counselling; b) collection, analysis and dissemination of labour market information; c) administration of active labour market programmes (ALMPs); and d) administration of unemployment benefits. In addition, in response to the changes in the labour markets, many public employment services, directly or through their parent organizations, are increasingly involved in the regulation and promotion of cooperation with private employment service providers.

The range of services provided, the level of integration and depth of these services, and the sophistication of the means of delivery vary widely between countries, or between regions within countries, depending on the level of development and government PES policy. The natural trend is for PES to start small and expand their services as they gain experience and the trust of their clients, and as their capacity increases. This incremental approach in the range, depth and level of integration characterized the growth in public employment services in advanced countries. Continuous reforms aimed at meeting new labour market challenges and changes in employment policies have been the norm rather than the exception in this part of the world. Whether or not the PES covers all the four or five functions in full depends on government policy, division of labour in the public administration and other factors. In practice therefore, even in the most developed countries, the PES may offer only some of the traditional functions, choosing instead to establish collaboration and cooperation channels with other public service providers.

There is however emerging consensus around the need for PES to develop their capacity to provide core services, as a first step, and then leverage that capacity to expand into other functions. In practice however, especially where public resources are limited, a rapid leap into servicing other functions, notably active labour market policies, may provide the PES with the necessary incentive and legitimacy.

In Rwanda, given the relatively short history (the first job centre was established only in 2013), the PES provides basic core services with moderate intensity through the Kigali Employment Service Centre while the Musanze Employment Service Centre is just beginning. **Job search assistance**, comprising registration of jobseekers and vacancies and matching, job search training, group counselling and basic and limited individual counselling are provided, especially in Kigali. As discussed in the next section, the matching function is not well developed.

In view of the relatively low levels of services offered at the job centres, the collection, analysis and dissemination of **labour market information** for external use has not yet begun. Only internal management information is generated for performance management. The PES, through the job centres, do not have the capacity to undertake a wider analysis of labour

market information, which in effect, is the responsibility of the Labour Market Information System currently hosted by MIFOTRA.

The PES, lacks a properly constituted organizational structure: job centres are not involved in the administration of *active labour market policies* except for basic training in soft skills and entrepreneurship. Ironically, almost at the same time the first job centre was established, the Government launched the National Employment Programme, which is a vehicle for coordination of interventions at sectoral and labour market level aimed at achieving the national target of creating 1.8 million non-farm productive jobs by 2020. The PES could have played a significant role in facilitating and coordinating the NEProg. This is an area that needs to be explored further and will be considered in detail in the next section.

Due to resource and capacity constraints, very few countries in Sub-Saharan Africa offer unemployment benefits. Apart from social assistance programmes in the form of workfare for the disadvantaged, *unemployment benefits* are not provided in Rwanda. The Government and stakeholders are consulting on mechanisms for the regulation and cooperation of private employment providers, but with emphasis on foreign recruitment of Rwandans abroad. In the meantime, however, the function of *regulating and cooperating* with private employment service providers is not exercised, and even if it were, it would be the responsibility of the umbrella Ministry, MIFOTRA. There is thus a growing market for private employment agencies.

The Kigali Employment Service Centre (KESC) provides basic core employment services to jobseekers and employers, including registration and matching of jobseekers and vacancies, job search assistance and career advice, entrepreneurship training, provision of LMI on a very limited scale, as well as pre-screening jobseekers for employers before referring them for interview. All the services are provided free of charge. In collaboration with MIFOTRA, the KESC organizes annual job fairs which precede the National Employment Forum. Its strategy for collaboration with stakeholders takes the form of MoUs: it had signed 22 MoUs by October 2015 and doubled the figure by the end of 2016. New services planned include job scouting, career orientation in secondary schools, job-related English language training, as well as a women entrepreneurship mentoring programme.

While the National Employment Programme coordinates ALMPs across the whole spectrum, ranging from labour marketing training, entrepreneurship and self-employment support, to public works, these services are not yet fully integrated, and coordination of programme implementation does not go beyond joint programming and reporting. Employment services could thus play a vital role.

The National Employment Programme's activities could benefit greatly from the services of the Public Employment Service, which in turn would benefit from the resources and clients at the former's disposal. In the absence of unemployment benefits, access to the NEProg activities would be an incentive for jobseekers to register with the PES, thus creating a database of jobseekers and employment opportunities. It would also help the NEProg to set up a sustainable system for identifying participants who have been screened and profiled by the PES and thus save time and resources spent in calls for applications. Thus, an analysis of how the PES can coordinate and collaborate with those implementing the NEProg would be highly useful.

Cooperation with partners and stakeholders

The KESC is aware of the need to cooperate and partner with other stakeholders in order to offer a diversified portfolio of services, assure quality service provision, and efficient use of financial and human resources. The KESC has cooperated with various institutions in delivering its various services, particularly labour market and entrepreneurship training. The KESC cooperated with CEFENG, CEFE Ityazo and CEFE Rwanda Ltd in entrepreneurship training, Hotel des Mille Collines in corporate social responsibility (CSR) information sessions, PQ Consultancy and Mount Kenya University in English language training, and the Rwanda Chamber of Women Entrepreneurs for the Women Mentorship Programme.

“The effectiveness of the cooperation with partners such as training providers (Akazi Kanoze, DOT, Bright Future Cornerstone, Mount Kenya University), public institutions (BDF, NUDOR, NCBS, WDA, NCPD, Public Library), private institutions (RNUD, RIM, Peace Corps, VSO, Uwezo, Rotary Club, financial institutions, consulting companies, etc.) has been proven through the positive experiences of KESC.” (KESC, 2015)

The Job Net, an annual KESC/MIFOTRA joint job fair held in April during Employment Week, brings together employers, jobseekers, as well as training and entrepreneurship service providers where almost all PES services are delivered. In 2016, the KESC collaborated with Digital Opportunity Trust (DOT) Rwanda to encourage women and people living with disabilities (PWD) to participate in the Job Net event. It also worked with UWEZO Youth Empowerment to reach out to youth and the organization supporting jobseekers living with disabilities to give them access to this important event. With the support of the Job in Rwanda consultancy, all jobseekers were invited to the event via email. The IPRC and Akazi Kanoze encouraged TVET graduates to attend the Job Net event. (KESC, 2016). A legal framework supporting such cooperation and collaboration would be highly useful.

Box 1: The employer's voice

The social partners play a critical role in the development and implementation of national employment policies. The Assessment Mission visited and held discussions with several stakeholders in the government, private and NGO sectors. Below are the key highlights of the discussions held with the Private Sector Federation (PSF)

Formed in 1999 through a merger of the then Chamber of Commerce and Industry and the Employers' Organization, PSF is an umbrella federation of employers in Rwanda comprising ten sector specific chambers (with a combined total of 75 associations) and staff/committee members at provincial and district level. The ten affiliated chambers are: Agriculture, Commerce, Arts and Crafts, Finance, ICT, Industry, Liberal professions, Tourism, Women entrepreneurs and Young entrepreneurs.

The parallel structure enables the Federation to mobilize and provide business development and financial access services to small businesses and subsequently organize them into associations. Other services to their members include advocacy, capacity building and representation in the private-public dialogue.

The PSF developed and founded the Business Development Centres in 2006 at district level and piloted them in selected districts. This initiative generated a considerable demand and was expanded to 17 districts. However, it became too expensive for the Federation to manage and hence they were later converted to Kora Wigire Centres under the Business Development Fund (BDF). The Kora Wigire Centres are present in all 30 districts of Rwanda. At the lower administrative level, the sector (Umurenge), the National Employment Programme supports business development through Business Development Advisers, two in each sector, using a voucher system.

In order to support government in addressing skills mismatches and shortages, the Federation encourages its members to take in interns and apprentices. The initial fears among employers about possible damage to machinery by inexperienced interns are fading, especially as they realise that internship provides them with an opportunity to screen potential employees. However, the PSF maintains that employers need incentives to participate fully in the programme to offset their expenses and/or promote their businesses. The PSF ran an internship programme in the past couple of years where over 550 interns were recruited in the country as well as in the East African region. The programme was successfully completed by 540 of them, five percent were retained, 42 percent found employment elsewhere and 2 percent were self-employed. The Workplace Learning Policy is expected to provide such incentives.

Regarding their participation /collaboration with the Public Employment Service, the PSF hinted that the Kigali Employment Service Centre, and indeed all PES Centres, needed to enhance their awareness campaigns. Furthermore, the PSF was ready to work with them, especially when it came to bulk recruitments and SMEs. The Federation also wondered why the KESC was not affiliated to employers' organizations. There is thus potential for the PES to collaborate with the PSF and the BDF at sectoral and district level as part of the expansion of its services.

4. Trends in service delivery

This section undertakes a deeper analysis of the services provided by the Public Employment Service, with a focus on the Kigali Employment Service Centre during its four years of existence since May 2013. Thanks to the support from MIFOTRA and technical/financial assistance from GIZ and other partners, the KESC has managed to grow its services from simple registration and matching of jobs to the offer of a wide range of job search assistance, general labour market training, entrepreneurship as well as tailored services for women, people with disabilities and the young. Despite notable growth, the Centre needs a lot of capacity strengthening in all areas.

Snapshot of trends in performance

The Centre's catchment area is the City of Kigali, although, in principle, jobseekers from all over the country can register⁸. Some 2,260 jobseekers were registered (cumulatively) in the database at the time of the assessment, of whom some 400 were estimated to have been placed. Vacancy registration on the other hand totalled 1,468 during the same period, representing a placement to vacancy ratio of 27 per cent. However, this figure could be an understatement, as the Centre does not have a mechanism for feedback from employers regarding the results of the workers referred for interview. Instead, placement data are from tracer studies which are, in principle, planned every sixth months. Placements are defined broadly to include anyone who accessed the Centre's services and obtained a job during the study period. It thus mainly measures the qualitative impact of the services, rather than placements directly resulting from matching services.

Using the live register for each quarter, the tracer studies have shown that around 31 per cent of the jobseekers that use the KESC services obtain employment. The majority find casual and temporary jobs, with women being more disadvantaged. Only 28 per cent of men found permanent jobs during the fourth tracer study (January -June 2015). This study revealed a substantial fall in successful employment outcomes from 36 percent to 22 percent. The Centre's footfall is around 40 clients per day, mainly visiting the computer centre.

Services to jobseekers: Sequencing, range and depth of service provision

While the range and depth of services and modes of delivery vary according to the set up and objectives of each country or region, one can trace a general pattern in how mature PES provide their services. The sequence begins with the intake of jobseekers, involving registration in the database, general orientation on the services of the centre, including self-service facilities. This work is normally done by receptionists at the registration desk. Workers may then be profiled by employment officers/counsellors and grouped based on their readiness for work and distance from the labour market. Those more difficult to place are prioritized for more intensive services, such as individual counselling and action planning and may be referred to active labour market programmes in-house or elsewhere to enhance their employability. More advanced PES take into consideration multiple barriers to employment, including social barriers, and refer the jobseeker to the appropriate social services. The current trend is to offer joined-up services in one-stop centres. Employment

⁸ For example, in the month of May 2016, the Centre registered 87 new jobseekers, of whom 58 or 84 percent were from Kigali.

counselling and job-search assistance/placement are provided at various stages, depending on the jobseeker's work readiness.

The KESC has simplified the process to cope with the institution's capacity. Due to low vacancy registration, the Centre does not emphasize the placement function. Rather, it aims to provide employability enhancement to jobseekers so that they can find jobs or start their own businesses. Individual counselling is mostly reserved for those preparing for job interviews, and is on request by the jobseeker. The Centre does not yet have the capacity to profile jobseekers and guide them accordingly to appropriate employability enhancement measures, although such services are provided on request.

Research has shown that job search assistance is more effective in helping jobseekers find employment in the short run. This global finding is true in Rwanda, as the fourth tracer study indicates that 21 per cent of the jobseekers that found jobs believed job search training was instrumental in their success. Top among the services to jobseekers, therefore, is 12 hours training on job search strategy spread over four days. Jobseekers register for the training which is held regularly.

In response to employers' complaints about lack of soft skills among young jobseekers especially during job interviews, the Centre offers a 10-20 hours English language training at basic, intermediate and advanced level, in partnership with private providers, such as Mount Kenya University. Registration is on request and voluntary. The Centre also organizes a 60-hour basic IT course for interested jobseekers spread over a period of 20 days, conducted in the Centre's computer lab. Given the high unemployment rate in Kigali (11 per cent) compared to the national average of two per cent and its concentration among the educated, the Centre offers basic entrepreneurship training, using the CEFÉ methodology in cooperation with CEFÉ Ityazo Ltd, to those willing to establish their own businesses and then link them to financial and business development services.

Services for vulnerable groups

Universal provision of employment services may unintentionally exclude some vulnerable groups from the labour market. Tracer studies have revealed that over 80 per cent of its users are products of higher education institutions, mainly university graduates, male and able bodied. Women, secondary school leavers (among whom unemployment is high) and people with disabilities, tend to be highly under-represented. To resolve these challenges the Centre has developed innovative tailor-made programmes for each of these groups.

Information sessions for women dealing with various aspects that may prevent them from participating in the labour market and encouraging them to register with the Centre are organized. Furthermore, a mentoring programme has been designed in collaboration with the Kigali Chamber of Women Entrepreneurs where experienced women entrepreneurs act as role models and mentors for selected young jobseekers, including a two-week work trial at the mentor's place of work. In collaboration with various organizations for the disabled, the Centre organizes information sessions and special training for people with disabilities and provides the necessary amenities for such training, including a travel allowance. With a view to attract secondary school leavers to register with the Centre, an opportunity scouting programme has been developed where selected secondary school leavers are able to visit workplaces and experience a work environment.

Services to employers: Vacancy mobilization strategy

Public employment services can only fulfil their mandate of matching jobseekers with vacancies if they can mobilize sufficient jobs from employers. Services to employers are

thus pivotal in determining success: the PES must demonstrate the business case for employers to use the service rather than other means. Experience shows that provision of free services is not among the main reasons attracting employers to PES services. Rather, it is the quality of services. As discussed above, Rwanda deviates from the common notion that the PES tends to offer low-skilled workers for low wage jobs, since most of its clients are university graduates.

In addition to the standing offer of free registration of vacancies on the Centre's website, the KESC has designed an outreach package for employers to entice them to cooperate and use its services. A specific one-year or two-year programme is developed by the Placement Officer, whose duty is to liaise with employers, for calls and visits to be made to employers. The visits culminate in soliciting vacancies and signing MOUs with companies. At the end of 2016, 44 MOUs had been signed with private and public institutions, including training providers. The Centre also organizes information sessions and/or breakfast meetings with employers, including various chambers and associations.

The assessment mission observed that the Centre relies on MOUs to solicit vacancies from employers. However, this strategy does not seem to have borne much fruit, given that only 144 vacancies were registered in the Centre's first year of operation, and less than 1500 four years down the line. The fact that the Centre does not follow up on its referrals may be a weakness. The Centre's matching services are ineffectual and could be the reason for employers' reluctance to engage with them. A quick analysis of the online vacancy postings shows that employers use various private online services such as Job in Rwanda, Ajobs.com, Tohoza, Umurimo.com, etc. and in some cases, they are willing to pay for this service. On the other hand, the KESC does not feature any vacancies on its website and there are only four internship postings, dating back to 2013 and 2014.

Regarding matching services, the Centre does provide some initial screening of candidates for job vacancies and training on request. This service appears to be dormant in the extreme. However, what seems to be vibrant is the grand job fair, Job Net, which is organized annually as part of Employment Week in April in collaboration with MIFOTRA. The number of employers and workers participating in the job fairs has been growing since the first Job Net in 2014, reaching over 1000 jobseekers and 44 employers in 2016. The survey at the end of the job fair showed that, among other things, workers want more job listings and matching during these job fairs.

Performance management, monitoring and evaluation

Practice has shown that a well-developed performance management and monitoring and evaluation system is essential right from the set-up of the PES. Performance management allows the PES to evaluate the inclusiveness of its services, whether it is reaching its goals and objectives and the impact of its services in the labour market. The KESC, like any other public institution in Rwanda, is expected to define performance indicators and monitor/evaluate its service provision. The performance indicators include the following: number of jobseekers and vacancies registered; companies visited; MOUs signed; number of people trained, training conducted, and placements made. The latter however is only estimated through tracer studies. In between the tracer studies, the Centre only reports on referrals to employers.

A well thought out but simple M&E system has been in place since the Centre's inception, comprising tools like detailed work plans and targets. The Centre has a tight reporting schedule of weekly, monthly, semi-annual and annual reports. The weekly reports are for management purposes, while the remainder are analytical in nature. The Centre also undertakes a number of surveys to measure the performance of various activities and client satisfaction. With the support of its development partners, in particular GIZ's Eco-Employ

Programme, tracer studies are conducted every six months, based on a representative random sample. While this would generally provide a qualitative measure of the impact of the Centre's activities on various employment outcomes, in practice, it is the only way to measure the outcomes of interventions in terms of placements. In addition, client surveys are undertaken at different levels – use of services at the Centre and job fairs for example. In addition, focus group discussions may be organized to obtain views on how to improve services.

Multi-channelling of service delivery

Delivering services through multiple channels has been utilized by the PES as it evolved, in order to better serve customers with different needs and access to services but also to improve efficiency by concentrating on more intensive face-to-face interactions with those faced with barriers to the labour market. Work-ready clients thus opt for self-service online services at the PES centre, at home or, indeed, at various access points. Call centres, email, interactive web-based sessions are other means of service delivery. With the rapid development of information technology, multi-channelling is now possible in developing countries and for relatively young PES as in Rwanda.

The PES in Rwanda is already using three channels: online registration, face-to-face, the most commonly used, and telephone. In view of the financial challenges to expand services to district and lower levels, the PES has to find innovative ways of delivering services and reaching out to those who are geographically excluded. A centralized online jobs portal would serve this objective well, as jobseekers and employers would be able to log in to the system from any location. The challenge, however, is the low level of Internet and mobile penetration. Data from EICV4 indicates Internet penetration of 9.3 per cent in 2013/14 and a mobile ownership rate of 64 percent. Meanwhile, 6 in 10 Rwandan households owned a radio and 2.5 in 10 a computer. However due to the Government's ICT policy, things are changing at a rapid pace, such that by March 2016 the media reported Internet penetration of 33 percent (Rwanda Today, 2016).⁹ The high cost of computers and smartphones is the main barrier. For example, out of the 8.8 million mobile subscribers in 2016, only 665,684 had smartphones. As the Government continues with its efforts to increase access to computers and the Internet (Rwanda was voted the country offering the most affordable Internet among least developed countries in 2016), there is hope for the online jobs portal to ease access to PES services and expand outreach.

The NEProg implementation structure provides opportunities for expanding services at affordable cost. The Kora Wigire centres, telecentres, YEGO centres, CPCs and ICPCs can be utilized either as access points or as satellite centres operated in collaboration with partners.

⁹ <http://www.theeastafrican.co.ke/Rwanda/Business/Rwanda-top-in-Internet-access-but-cost-and-devices-a-hindrance-/1433224-3171806-rswx1/index.html> accessed on 28/05/2017

5. Labour market policies, institutional framework and coordination mechanisms

Labour market policies comprise income replacement measures (also known as passive policies) and measures that promote efficient integration or re-integration of workers in the labour market (active labour market policies). With the objective of alleviating poverty and creating productive employment, Rwanda has been implementing a variety of passive¹⁰ and active labour market policies.

Active labour market policies (ALMPs) comprise five main categories: a) employment services (including job search assistance, counselling and matching); b) labour market training and work experience; c) entrepreneurship and self-employment support, d) employment (wage and recruitment) subsidies; and e) direct job creation through public works. In Rwanda, the first three categories are provided with limited public works under the VUP programme which is mainly a social protection measure (poverty alleviation). There are, however, investments in labour-intensive programmes implemented outside the National Employment Programme framework, but which also contribute to the achievement of the national objective of creating 200,000 jobs annually. Being a low-income country, employment subsidies or employment retention programmes are not in place.

Employment services

As already described in sections 2-4 above, employment services in Rwanda are provided through the Public Employment Service (PES) comprising the Kigali Employment Service Centre and the Musanze Employment Service Centre; and also through career centres in universities and some higher learning institutions, private employment agencies and non-profit organizations. These centres provide basic core services and are yet to be fully developed.

Labour market training

Several studies and reports have shown that low skills and skills mismatch have contributed to low productivity and poor quality jobs in Rwanda. Market relevant demand driven skills are necessary to improve the efficiency of matching in the labour market, improve productivity and workers' earnings. In Rwanda, 62 percent of the labour force have not completed primary education and only 2.8 percent have university education. Among the employed, the proportions are 63 percent and 2.5 percent respectively. At policy level, the Government changed the orientation of education and training systems towards more practical skills acquisition and recognition of prior experience. At labour market level, this translates into hands-on skills training, apprenticeships and internships and certification of skills acquired informally. The key ALMPs in the area of labour market training are summarized below.

¹⁰ Mainly implemented under the Vision 2020 Umurenge Programme (VUP) aimed at eradicating extreme poverty by 2020.

Hands-on skills training through (i) Mass Vocational Training (MTV) programme, (ii) Rapid Response Training (RRT) facility and (iii) recognition of prior learning.

The **mass vocational training**, implemented by the Workforce Development Authority, aims at large-scale training and certification of the unskilled, the semi-skilled and unemployed graduates in predominantly traditional trades such as masonry, mechanical, agricultural mechanization, hospitality and food processing, veterinary services, electrical skills, carpentry, hairdressing and tailoring (NEProg Secretariat, 2016). The goal of this training is to improve the employability of low-skilled workers in order to find more productive paid employment and, above all, to enable them to become self-employed. Unemployed graduates are mainly trained for self-employment, in most cases leading to a substantial change in their careers. In the two years since the launch of the National Employment Programme, the programme exceeded its target of 9,398 trainees by 14 percent, achieving a total 10,691 trainees. Women constituted 38 percent of the beneficiaries. There is so much interest in this programme that demand for the training exceeds capacity. In the original NEProg document, the Ministry of Youth and ICT (MYICT) was expected to identify the potential youth beneficiaries, profile them and develop a database from which beneficiaries would be drawn. It is not clear from the reports whether this remains the case in practice, as it appears that participants are identified directly at district and sector level, with no profiling system in place. The programme is implemented in collaboration with vocational training centres and the integrated polytechnic regional centres across the country selected by the WDA.

Recognition of prior experience was implemented from the second year and targets existing “productive” artisans, craftsmen, construction workers and technicians in different trades. In order to cope with the numbers (1000 were targeted in 2015/16), the WDA trained 84 assessors who in turn assessed 3,289 beneficiaries in the construction and building trades in four provinces and the city of Kigali, in collaboration with the Integrated Polytechnic Regional Centres (IPRCs). The trades included various processes such as bricklaying, stone masonry, roofing and ceilings, as well as the erection of steel frames. The over-subscription for recognition of prior experience is not surprising, as it is the only chance informal workers have of their skills being certified and enhancing their competitiveness on the labour market. However, the fact that over 3,000 artisans were assessed in different trades within a year, including the training of assessors, raises questions about the quality of the assessments. Depending on the remuneration arrangements, assessors could have maximized the numbers to earn more income. The process and results therefore need to be carefully examined in order to inform the next phase of implementation.

Rapid response training is a demand-driven training premised on identification of projects in the private and public sectors that require skills that may not be available in the labour market, conducting tailored training of jobseekers who are then supplied to the projects. Three companies were identified, one in the textile industry (C&H garment factory), one in construction (NPD COTRACO) and an agribusiness company (Agasaro Organic) for which a total of 933 jobseekers were trained. In the public sector, 211 beneficiaries were trained under the joint home-based care programme (HBCP) for the Ministries of Education and Health. The main advantage of this programme is that trainees are assured of jobs. It is not clear if the employer can decide to employ the trainee at the end of the programme. Employers participate fully in both the selection and training of the prospective employees. The downside of the programme is that it is expensive (the most expensive of the ALMPs, with a unit cost of RWF650,000 (\$1000) in 2015/16) and is dependent on the availability of companies willing to employ new workers. As a result, out of a targeted 4,300 beneficiaries in the past two years, only 1,824 (42 percent) were achieved. The trades offered are both traditional and emerging, ranging from cobble stone production

and laying to fashion design. Going forward, realistic targets should be set to avoid undue pressure on the implementing institutions and ensure authentic reporting.

Work experience through industry-based training, apprenticeships and internships

Industry-based training is also implemented by the Workforce Development Authority and involves identifying individuals and placing them in organizations in various sectors, as well as incubation centres for hands-on training. The original idea was to identify and place graduates of TVET schools in industries that have signed agreements with the WDA (NEProg, 2014). In practice, however, the programme recruits apprentices with different backgrounds and places them in service or in incubation centres. A total of 4,302 candidates were targeted to be trained in the 2014/16 period of which just over half (56 percent) were achieved. Of those trained, women constituted 39 percent. It is not clear how many of the candidates placed were TVET graduates. All the in-service training took place in four hotels across the country. This is no mean achievement, considering the preparations that are required to identify industries that are willing to host the training programme. The experience in the region shows that the hospitality industry is receptive to hosting trainees, as has been the case in Tanzania, mainly due to the shortage of skilled workers to service the increasing number of hotels and resort areas.

The internship programme is implemented by the former National Capacity Building Secretariat (now the Capacity Building and Employment Services Board, CESB) and targets graduates of higher education institutions (universities and technical colleges/polytechnics) for placement in medium to large organizations in the public, private and civil society domain. CESB identifies interns through an online recruitment system on its website.¹¹ Companies requiring interns also submit their vacancies online and must demonstrate availability of an appropriate professional working environment and equipment specific to the position, and should be ready to provide supervision and evaluation. The CESB, on the other hand, undertakes overall supervision, provides stipends to interns, arranges for their insurance and awards certificates. Progress in this intervention has been outstanding, achieving above target in the two years (3,055 interns were placed against a target of 2,495). On average, 45 percent of the interns were women. During the first year (2014/15) 5.4 percent (86) of the interns were retained in employment. There are no figures yet for the 2015/16 financial year. An analysis by the CESB shows that the internship offers are overwhelmingly concentrated in the public sector (83 percent) with minimal participation of the private sector (15.3 percent) and civil society (1.7 percent). There is need for a review of the private sector mobilization strategy as well as the conditions for participation. During the assessment mission, some of the private sector members indicated the lack of alignment of internships to the employers' requirements. An evaluation of the programme after six or twelve months of internship would provide a better picture of its effectiveness.

Support for entrepreneurship and self-employment

It is widely agreed that a focus on skills development and employability improvement alone in developing countries characterized by low demand for labour in the formal sector and with a large informal economy may not be effective, even in the long run. As a complement to macro and sectoral policies, therefore, there is a need for active labour market policies that tackle the demand side of the employment equation. Empirical evidence in the implementation of ALMPs suggests that programmes that combine both supply and demand side interventions are more likely to succeed. Entrepreneurship and enterprise development

¹¹ http://cesb.gov.rw/fileadmin/Announcements/NATIONAL_PROFESSIONAL_INTERNSHIP_PROGRAM.pdf; NEPROG Secretariat, 2016).

for self-employment is thus critical in countries such as Rwanda, with a small formal sector and where the private sector is still in a fledgling stage. Access to finance and business development services are known to be the main challenges in developing countries.

Rwanda has been implementing entrepreneurship and enterprise development programmes for some time now. It was one of the few priority pillars of the first National Employment Policy of 2007 where success was achieved, the other being skills development.¹² What follows is a summary of the main interventions under this category.

Support for MSME start-ups through access to finance and equipment and business development services

Support to MSMEs to develop bankable projects and access finance through financial institutions. Implemented by the Ministry of Trade and Industry (MINICOM), the programme involves identification of potential individuals wanting to establish microenterprises, or existing enterprises and cooperatives who want to grow their business, then to provide them with business advisory services, through coaching by business development advisers so that they can develop viable business plans for financing by designated financial institutions. During the first year of implementation, 30 business development services centres (Kora Wigire) were established, one in each district and the Rwanda Development Board (RDB) trained about 800 business development advisers (BDAs), who were then placed in different sectors (a grassroots administrative unit) - two in each. The BDAs are paid based on performance, the number of MSMEs coached and bankable projects developed, through a voucher system. MINICOM channels funds through savings and credit cooperatives (SACCOs) which then sign MOUs with district administrations to provide financing to MSMEs with viable projects under the programme. In the two years of implementation, the target was that 20,000 MSMEs should successfully access finance (10,000 in each year). While in the first year 74.84 percent of the target was reached, in 2015/16 the target was surpassed by 72 percent in terms of MSMEs accessing BDS (a total of 17,218), of which 14,486 accessed financing representing a net success rate over target of 145 percent. Women comprised 30 percent of the total beneficiaries. Less than five per cent of the beneficiaries were cooperatives. The impact of the programme on employment needs to be evaluated, to ensure value for money. It is not clear if beneficiaries undergo any profiling and assessment to determine their willingness and ability to manage a business.

Provision of start-up toolkits, materials and production equipment. This facility is implemented by MINICOM through the Business Development Fund (BDF) and SACCOs as disbursement agencies for the loans. In its original version, the intervention targeted graduates of the mass vocational training (MVT) scheme, industry-based training (IBT) and apprentices, as a comprehensive package to ensure transition to self-employment. In the first year of implementation, however, only 25 percent of the target (1,500 against 6,000) was achieved, due initially to insufficient funding but also to delays in developing procedures and guidelines for implementation of the loan by MINICOM, BDF and the SACCOs. In the second year of implementation, the facility was transferred to entrepreneurship development and, while it still covers the initial beneficiaries, it has been extended to other graduates of short-term training and apprentices, and is not implemented as a package. The initiative provides a loan to procure initial basic tools and production equipment, such as hand tools for artisans, computers and small capital equipment like motor cycles for transport business. A joint advocacy campaign by MINICOM, the BDF Kora Wigire centres located in each district and district administrations was launched to attract TVET graduates to access the

¹² MIFOTRA – NEProg 2007 Evaluation Report

facility. In 2015/16, just less than half the targeted 1,500 beneficiaries for the loans were reached (710) out of the 1,947 applications. The rather high rejection rate of applications could signify problems with linking MVT trainees to the facility. A review of the problems faced by the facility during the first year of implementation should be undertaken, and consideration given to a return to the original idea of implementing the facility as a package with skills development.

Other initiatives implemented by MYICT, the National Council for Persons with Disabilities, (NCPD), the City of Kigali and the Ministry of Gender and Family Promotion (MIGEPROF) target disadvantaged groups (youth, PwDs and women), offering access start-up loans. A total of 1,500 beneficiaries were targeted in 2015/16, of whom 902 were reached (763 PwDs – 374 women, 139 young people with a history of drug abuse).

Quasi-equity scheme. Implemented by the BDF, the product is directed at start-up and existing small and medium-sized enterprises, including Community Processing Centres (CPCs), to access capital through a mixture of debt and equity. The beneficiaries pay a subsidized interest rate on the debt portion, while the equity is liquidated through an agreed charge on the sales for a given period of time. Out of the targeted 10 businesses, five benefited.

The direct guarantee and grants scheme provides a combination of a guarantee facility to access loans and a matching grant. In the first year, 892 projects were provided with credit guarantees while 5,424 projects received matching grants. However, in the second year 1,122 SMEs were provided with credit guarantees of which 495 (44 percent) were owned by women. The matching grant facility seems to have been suspended.

Poverty alleviation targeted support for vulnerable households under the Vision 2020 Umurenge Programme (VUP). The Ministry of Public Service and Labour coordinates the implementation of the income-generation activities component of the VUP, where members of poor and vulnerable households are supported to establish basic businesses for survival. The same model of implementation as in the other programmes is adopted – through the voucher system, business development advisers provide coaching and other services to participants, help them develop business plans, which are then financed through the programme. Due to its focus on poverty alleviation (activating social assistance), the numbers targeted are usually enormous. In the 2015/16 financial year, for example, 85,435 beneficiaries were targeted to receive assistance, although the programme managed only half the target (42,941). An evaluation of the impact of the programme would be useful to justify the use of IGAs to assist the poor, rather than just providing cash transfers which would be cheaper, and then only direct IGAs at those with viable business ideas.

Upgrading skills and technology in Integrated Craft Production Centres and Community Production Centres

To promote business growth and enhance productivity, technology and innovation are indispensable. The Rwandan Government established ICPCs in selected districts to provide modern facilities for the production and marketing of local products, improved technology and technical knowhow as a means to creating productive employment opportunities for the young. CPCs on the other hand, were established to promote added value at local level by providing facilities that would allow local producers to process local products without having to bear the full cost of the machinery and technology required (NEProg, 2014). The two initiatives are quite similar in nature and many of the processes are likely to overlap. Prior to the development of the coordination framework, the National Employment Programme, in 2014, the two initiatives were supported by MIFOTRA and MINICOM respectively.

The project sets up factories and facilities and procures heavy machinery and technology for production and processing of various products, including processed wood, honey, ceramics, banana wine, dairy products, leather products, Irish potatoes, tailoring, etc. The MINICOM, the BDF and the National Industrial Research and Development Agency (NIRDA) are responsible for the realization of the ICPC and CPCs respectively. The scheme works as follows: an “anchor” company is created and producers, normally organized into cooperatives, are mobilized as shareholders cum suppliers of raw materials to the company. Partnership agreements are drawn up and signed between districts and the anchor companies. Management and technical staff are appointed, often needing expatriate staff to train local staff and transfer technological expertise. With regard to the ICPCs that house producers, their skills are assessed against the technology in use and then arrangements are made for upgrading. Five ICPCs were targeted for support by new technology and skills upgrading. A total of 115 craftsmen from 6 ICPCs were identified and trained, while the Wood ICPC was provided with a wood drying machine, although it had to be returned due to incorrect specifications.

With regard to progress, out of the targeted 7 CPCs, 3 CPCs – dairy, leather and Irish potato – have been established and are operational, though not at full capacity; 3 more – honey, ceramics and banana wine – are at various levels of construction and mobilization of equipment, producers and set up of anchor companies. Work on the tailoring CPC have apparently not yet commenced. These are innovative projects that would be a game changer if properly planned. However, the challenge is that there seems to be such a sense of urgency to create the required jobs that the due diligence in the detailed planning – such as the right specifications, availability of managerial and technical staff to run the company, technical expertise to operate the imported machines, and raw materials such as packaging for products to be produced is overlooked, and hence creates frustration and delays later in the process.

Coordination and implementation framework for ALMPs¹³

The National Employment Programme (NEProg) was designed with the primary objective of coordinating various labour market programmes hitherto scattered across different institutions within and outside the public sector. This led to unnecessary competition among implementing agencies, duplication of efforts and less than optimal impact, essentially because employment is a multi-disciplinary issue which requires concerted and coherent efforts across all sectors. The NEProg was designed and implemented on the back of the highest political will.

Implementation framework

The implementation plan of the NEProg was designed in such a manner that synergy was ensured by the provision of various components of ALMPs in line with international experience. For example, training interventions were linked to entrepreneurship and business development and financing services. There was however an omission regarding linking employment services to other ALMPs.

Secondly, the four pillars of the NEProg were assigned lead agencies who would work closely with central implementing institutions and other stakeholders. They would coordinate planning and implementation of activities, follow up on budget execution, lead

¹³ This section draws heavily on the NEProg Document.

in resource mobilization and mainstreaming of employment in their respective sectors. The division of labour across pillars was as follows:

- Entrepreneurship and business development: MINICOM;
- Skills development pillar: MINEDUC;
- Labour market interventions: MIFOTRA; and
- Coordination and monitoring & evaluation: MIFOTRA

Thirdly, 12 central implementing institutions (CII) were identified: the Business Development Fund (BDF), City of Kigali (CoK), Local Development, Agency (LODA), Ministry of Labour and Public Services (MIFOTRA), Ministry of Gender and Family Promotion (MIGEPROF), Ministry of Trade and Industry (MINICOM), Ministry of Youth and Information and Communication Technology (MYICT), National Capacity Building Secretariat (NCBS), National Council of Persons with Disabilities (NCPD), National Industrial Research and Development Agency (NIRDA), Rwanda Development Board (RDB) and Workforce Development Agency (WDA). These would be responsible for delivering outputs and underlying activities and report through the lead agencies to the M&E framework.

Fourthly, implementation was decentralized to district and lower level structures through the district business development and employment units and the Kora Wigire centres. The former is in charge of coordinating, overseeing, strengthening, and reporting on all employment and business interventions planned and implemented at decentralized level. The latter integrates and coordinates existing business services at district level, including BDCs, BDSs, telecentres and YEGO centres. At sector level, business development advisers provide business development services in collaboration with the Kora Wigire centres.

The coordination mechanism

A five-level coordination structure was developed and implemented consisting of:

- a) **technical working committee**, which brings together technical persons representing implementing institutions, meeting for regular feedback on the implementation progress;
- b) **senior technical committee** comprising permanent secretaries, director generals and heads of institutions, meeting quarterly to assess the implementation progress and to resolve technical challenges in the implementation;
- c) **ministerial level steering committee**, meeting quarterly to provide overall guidance and orientation on key programme priorities and to address institutional challenges that may hinder the effective operation. The Steering Committee comprises seven ministers for MIFOTRA, MINICOM, MINALOC, MIGEPROF, MYICT, MINEDUC and MINECOFIN;
- d) **productivity and employment subsector working group** led by MIFOTRA, with a mandate to coordinate, monitor, evaluate and report on the implementation of NEPROG. Donor coordination and negotiations take place here. The NEP Secretariat feeds information to this group; and
- e) **private sector development and youth (PSDYE) sector working group**, led by MINICOM, the main coordination body for the sector under the EDPRS II coordination framework.

6. Other employment service providers

Legal and policy framework for private and non-profit employment services providers

Rwanda does not as yet have legislation in place that specifically regulates the operations of private and third sector employment services providers. Private Employment Agencies (PrEAs) register and are regulated by the Rwanda Development Board under the Companies Act, “Act No.7/2009 Relating to Companies”. However, while they register as a company, their activities specific to recruitment and intermediation services locally and abroad are only regulated to the extent of the general provisions of the General Labour Code – Act No. 9/2009 Regulating Labour in Rwanda. The absence of a specific law regulating private employment agencies has several ramifications: there is no institution that tracks the developments in this sector; the number of private and not-for-profit employment services providers or the services provided is not known. The Government is also not in a position to keep track of jobseekers that access jobs and are placed through these agencies, leaving a void in labour market information, especially regarding skills supply and demand and in which sectors. Rwanda has not ratified the ILO Private Employment Agencies Convention, 1997 (No.181).

The Government has, however, shown interest in developing regulations for private employment agencies. In 2015, the Ministry of Public Service and Labour (MIFOTRA) commissioned a study to take stock of the activities carried on by private employment agencies and the regulatory framework through a comparative analysis of the three major East African Community countries: Kenya, Tanzania and Uganda. The Government’s main interest was to highlight the importance of private employment services providers in facilitating the efficient matching of jobs and jobseekers and thereby promoting employment. The study is also of particular interest in regulating and facilitating the recruitment of Rwandans abroad. The process of developing a draft instrument on the recruitment and placement of workers by private employment agencies was initiated in 2015 but has not yet been concluded. The draft instrument has many gaps and may need to be reviewed and strengthened before submission for enactment.

Some private employment agencies operating in Rwanda are major international and regional companies such as Q Sourcing, Ruma CPA, NFT Consult, Linkage Outsourcing, etc. Most of these also operate in other countries in East Africa, including Burundi and the Democratic Republic of the Congo. The services provided by these regional and multinational affiliates are varied, recruitment and employment services being only part. The services range from maintenance of CV databanks and advertisement of vacancies, employee assessments and vetting, placement, outplacement, and executive head-hunting to related human resources services such as payroll management, staff management, financial and human resources consultancy, etc. This is because the labour market is small, given the large informal sector in the region. One company offers employee leasing, with a reported pool of over 1200 workers. The target group is mainly graduates and mid-level technical and executive positions.

There are also many small companies employing 1-4 workers that operate on a small scale, focusing mainly on placement services with job search training offered as a separate service for a fee. Companies running online jobs portals are also prevalent, due to low entry and operating costs other than maintenance of the web domain. Most of them use simple search engines and matching is done manually. Jobs in Rwanda, Ajobs Rwanda, Umurimomo.com and Tohoza are examples of active online portals serving multinational companies, local business and international NGOs. Apart from Jobs in Rwanda, the online

portals seem to be free virtual market places connecting sellers and buyers. Unlike in countries such as India, job aggregators do not seem to be in operation.

The non-governmental organizations are not active in employment services provision (except for other labour market programmes). DoT Rwanda, a US based social company with a branch in Rwanda, provides work readiness and entrepreneurship support to the young, as well as internships and placements for their clients. On the other hand, the Local Government Association established a parastatal company called LG Consult to provide recruitment and HR services to member local governments.

The study also shed light on the modalities of payment for services. In general, the big companies charge their clients for the recruitment services provided. However, in cases where individual employees need employability enhancement, these services may be provided separately from the employer-sponsored recruitment. In general, the inherent principle is to charge the employer, even for the online portals. In practice, however, small agencies charge workers for such things as registration (which in effect covers the costs of services provided), others charge both the worker and the employer. A fixed amount or a proportion of the salary may be charged. The study further revealed that the smaller PrEAs find it difficult to charge employers, and hence normally recoup their costs and make profits from charging the workers.

In the absence of specific legislation, it difficult to harmonize the practices and ensure adequate protection of workers while keeping the PrEAs viable. Furthermore, the draft law does not cover temporary agency work. Moreover, there are no mechanisms for cooperation between PrEAs and PES. As explained in the foregoing sections, the limited capacity of the PES constrains its role as the lead actor in the labour market in ensuring its optimal organization for full and productive decent employment. While it is evident that private employment agencies can play a vital role in a well-functioning labour market, they cannot replace the role of public employment services. In Rwanda, the study noted that jobseekers who could not afford the registration fee were, in some cases, turned away.

Cooperation of private and public employment agencies in Rwanda

The Government commissioned study of private employment agencies (MIFOTRA, 2015) which found that cooperation between the PES and private employment agencies was almost non-existent, due to differences in interests and working principles. The study noted that some PrEAs had expressed interest in collaborating with the PES but “no visible steps are being initiated by state agencies”. In practice however, as discussed in Section 3 above, collaboration and partnerships are being successfully forged.

Partnerships, however, need to be mutually beneficial. Collaboration with typical private employment service providers would not work if the PES just needs help from them. In fact, it is in the interests of the PES that jobseekers access services irrespective of the source. The PES should therefore create a business case for private providers to cooperate. Article 13 of the ILO Private Employment Agencies Convention, 1997 (No. 181) promotes cooperation between the public employment services and private employment agencies to ensure labour market efficiency, with the national labour market authority retaining responsibility for formulating labour market policies.

ILO Recommendation No. 188 on Private Employment Agencies, paragraph 17 suggests several areas for such cooperation, including the pooling of information; the use of common terminology so as to improve labour market transparency; exchanging vacancy notices; launching joint projects, for example in training; concluding agreements between public employment services and private employment agencies regarding the execution of

certain activities, such as projects for the integration of the long-term unemployed; training of staff; and consulting regularly with a view to improving professional practices.

Although Rwanda has not yet ratified ILO Convention No 181 on Private Employment Agencies, cooperation between PrEAs and the Public Employment Service (PES) is still possible in various ways. Joint activities can be non-commercial or commercial. An example of non-commercial cooperation could be the exchange of information regarding job vacancies. Some PrEAs currently use the Kigali Employment Services Centre's job announcements.

Commercial cooperation can include the allocation of public resources to private employment agencies to carry out activities such as training of the unemployed. In this case, PrEAs will not be able to justify their practice of charging fees from jobseekers for job advice and training.

Cooperation can also involve the signing of a Memorandum of Understanding with private employment agencies, which would define ways of working together. Such cooperation depends on the mutual trust between private and public actors. Lack of trust, often due to unclear legal regulations, can significantly hamper the delivery of more efficient services.

7. Human resources

Staff structure of the PES

Acquisition and retention by the PES of high quality staff and continuous training to update and enhance their skills are indispensable for effective provision and delivery of employment services and ALMPs. Well established PES have professionalized their employment services functions to the extent that countries like France and Germany have established links with specialized universities offering employment services courses. The Employment Service Convention, 1948 (No. 88) requires Member States to recruit adequately trained staff based on merit and immune from political changes.

The Kigali ESC has an approved organizational structure of 12 staff members, although due to financial capacity problems it has a staff contingent of only 7 in post: the centre manager and six professional staff including the employment counsellor, placement officer, IT officer, customer relations officer, PR officer and labour market information and M&E officer (See organizational chart in Section 3 above). Meanwhile, Musanze has three staff members in post out of the envisaged five – the centre manager, the ICT officer who also doubles as counselling officer and the customer care officer who also doubles as the PR officer. At Ministry level, the Labour Market Information Unit, which will be responsible for the centralized job portal and has already linked the two centres to the LMIS web page, has three staff members. From time to time, both centres and the LMI unit employ interns, recruited through the Capacity Building and Employment Services Board (formally the NCBS).

Out of the seven staff members in the KESC, only three deal directly with jobseekers: the Counselling Officer, the IT Officer and the Customer Relations Officer. Given a working age population of 822,000, unemployment of 71,000 and 2,260 registered jobseekers (excluding the 400 that have found jobs according to the tracer studies), each frontline staff member is potentially responsible for 274,000 working age people, 23,794 unemployed and 755 jobseekers. Even by developing country standards, these are heavy workloads compared to a caseload of up to 200 in the EU, 267 in Tunisia and 577 in Egypt.¹⁴ Of course, Rwanda is not unique, Morocco is reported to have a caseload of 1,057.¹⁵ Services to jobseekers and employers cannot be improved if the staff capacity is too low. Comparable statistics for Musanze, assuming that the two officers are frontline, are 112,000 working age people per staff member and 4,100 unemployed per caseworker.

There is thus a clear case for strengthening the staff capacity of the PES. At the policy and administrative level, the NEProg Secretariat and the LMIS unit have been transferred from MIFOTRA to the newly established CESB. As discussed in Section 3 above, the National Employment Programmes Coordination Department may be regarded as the Administration Agency for PES at national level through the Employment Services Division. Excluding the Division Manager, six staff positions have been created: employment services promotion and management specialist, employment services inspection and compliance specialist, labour market and occupation testing analysis specialist, placement and career guidance specialist, internship and apprenticeship specialist, and internship and apprenticeship officer. In addition, there are nine professionals in the LMIS Management Division and 5 in the Entrepreneurship Programmes Division who will support the work of

¹⁴ Diego F. Angel-Urdinola, Arvo Kuddo, and Amina Semlali, 2013. Building Effective Employment Programmes for Unemployed Youth in the Middle East and North Africa

¹⁵ *ibid.*

the PES through the development of the centralized portal and management of LMI, as well as entrepreneurship programmes, if and when services become integrated.

While the macro-level staffing problem has largely been resolved, provided that the posts created positions are filled, staffing levels in the city and municipal employment centres remains weak. The KESC proposes to expand its staff contingent to 10 members of staff by 2019 by restructuring and adding heads of employers' services and employment counselling, coordinator of internship and training and one more IT officer to take care of the envisaged second computer lab.

There has been no systematic training of staff at professional level, although much the job training has taken place thanks to GIZ support. In fact, the staff of the Musanze ESC were trained by their colleagues at KESC, including practical experience through secondments to the latter. A systematic training needs assessment is required, once the concept and organizational structure of the PES has been confirmed, to build staff capacity. In addition, the conditions of service need to be evaluated and improved so that the centres can attract and retain qualified staff in line with the capacity of the host local governments.

8. Financial and material resources

Financial Resources

The ability of the PES to offer relevant, customer-oriented services largely depends on its financial strength to attract and retain qualified staff, acquire an adequate and supportive infrastructure and operate or procure services for its clients. Total expenditure on ALMPs as a share of GDP in developed OECD countries is around 0.56 percent, with a much higher figure in the EU-27 at 0.71 percent of GDP, of which 0.21 percent was on public employment services or 10.9 percent of total labour market policy expenditure.

The assessment mission was not able to obtain information on the Public Employment Service budget or expenditure. However, the KESC strategic plan 2014-19 suggests budget levels that may be below \$150,000 in 2015/16 excluding staff costs. With a view to expanding the services offered, the strategic plan projected an increase in the Centre's annual running costs from \$110,000 in 2014/15 to about \$300,000 in 2017/18. Moreover, the Centre would need an additional \$118,000 in 2014/15 and about \$100,000 thereafter to expand facilities and services as envisaged in the strategic plan.

Under the agreement with central government, the City of Kigali is the main financier of the Centre, with additional support from MIFOTRA and development partners, particularly GIZ, who have in addition provided a technical adviser on site. The capacity of the City to provide for expanded services and facilities is limited and the Centre will increasingly rely on support from donor and development partners to implement its programmes. While this provides an opportunity for raising finance for the Centre in the short and medium term, there is a need to develop sustainable and diversified sources of financing.

As discussed above, the NEProg has three main pillars: skills and employability development; entrepreneurship and enterprise development; and labour market interventions. Support to the programme from donors and development partners falls within each of these pillars. Employment services belong to the third pillar, labour market interventions, alongside the labour market information system, public works and labour migration. While the design of the programme envisaged an integrated approach in the implementation of the various pillars, in practice the pillars are implemented in isolation and hence resources do not flow across them. In developed countries, and a similar trend is emerging in emerging countries, the PES is at the centre of facilitating the implementation of ALMPs, even if they are not necessarily the only or the main implementing agency. Given the limited resource envelop and the dependence on donor financing, efficiency gains could be made if the NEProg interventions were more integrated. The PES would then provide facilitation to institutions in other pillars, especially labour market training and entrepreneurship and business development, rather than having to develop their own programmes and basically duplicate efforts. This would not only save the responsible institutions time but also create synergies, ensure ongoing recording of labour market activities and participants, and provide the PES with access to resources on a sustainable basis. Moreover, such collaboration would make up for the lack of incentives for jobseekers to register with the PES in the absence of unemployment benefits.

Other sources of financing need to be explored. The Workplace Learning Policy recommends the establishment, after consultations with the private sector and other key stakeholders, of a training levy. When such a system is established, a percentage of the levy could be earmarked for financing of PES activities. In the long term, if Rwanda designs and adopts an unemployment fund, it could also be a sustainable source of PES and ALMP financing. Unemployment insurance funds are the main source of funding for the PES and

ALMPs in almost all countries where they exist. Within the region, South Africa passed a law in 2014 which allows use of the Unemployment Insurance Fund (UIF) to finance employment schemes (Employment Services Act, 2014).

Infrastructure and equipment

The physical infrastructure and equipment of the employment service centres are as important as the services provided. Jobseekers, particularly the young, need to have facilities adapted to their needs. Employers and other clients may not have confidence in the PES and be ready to collaborate with it if the office facilities and the general ambiance are poor. Ease of access to the offices and facilities is another factor to consider.

In Rwanda, the PES is fortunate in that it has been granted the right to use the Youth Empowerment for Global Opportunities (YEGO) centres of the Ministry of Youth, Information, Communication and Technology (MYICT). The centres have adequate space for various facilities. The convenience of their location however varies: while in Musanze it is centrally located and close to transport facilities and the city centre, in Kigali it is in the outskirts of the city and not very easily accessible. However, as the young are already familiar with the location, the target population is well captured. On the downside, it could be part of the reasons for the low participation of women and those with relatively low education.

While the ambiance of the offices is reasonably good for a least developed country like Rwanda, there is still room for improvement. The signage and visibility of the office building could be improved. Considering that placement comprises a very small portion of the services provided, most users come for the self-service internet facilities as well as various types of job search assistance and labour market training, the demand for computer terminals will continue to rise.

9. Recommendations

This section offers practical suggestions in the form of recommendations for consideration by the Government and validation by stakeholders to assist them in the development of a roadmap for strengthening employment services in Rwanda.

Recommendation 1: Conceptualize and develop a public employment services system in Rwanda

The assessment has shown that a clear conceptualization of the PES is lacking with regard to its main objectives, scope and coverage, means of delivery and partnerships, as well as its strategic fit within the overall institutional framework in the National Employment Programme. There were different opinions among policy makers regarding the role of public employment services and the employment service centres in particular: some saw them as vehicles for implementation of the national development and employment policies, others felt they were transitory institutions that would eventually be transferred to private ownership for long-term sustainability. The PES generally implements government employment policies and ensure the best organization of the labour market, in cooperation with other stakeholders, towards full and productive employment.

- 1.1. **Develop PES policy and strategy:** through a participatory process and consensus building, discuss and develop clear PES objectives, scope and coverage of its mandate, level of devolution of administrative and financial decision-making power, broad means of delivery, etc.
- 1.2. **Complete the organizational structure and functional model of the PES, building on what already exists:** It is proposed that *MIFOTRA* should retain its policy and regulatory functions. It sets national goals and targets on employment as well as a national M&E framework. The *CESB* assumes the role of an administrative body responsible for the operation and overall management of employment service centres owned by local governments. It sets operational standards to ensure uniformity of services, performance management systems, and monitors the performance of employment service centres through their respective local government. It supports them with resource mobilization and human resources training. *City and municipal governments* own the ESCs and provide the day-to-day leadership and resources. However, in the first few years, the *CESB* should consider taking overall responsibility for the management of the ECS until such time as they have been developed and until sufficient capacity has been built up in the city and municipal governments. The role of other (public) service providers, such as *MYICT*'s district job desks, university career advisory service centres, *TVET* career centres, etc. should also be clarified. Set local goals and targets and monitor performance. See Annex 4 for details.
- 1.3. **Clarify the institutional framework and link to the NEP:** The Government should consider recognizing the PES as an institution (from the *CESB* down to the *ESC*) as facilitator and coordinator of the labour market. The PES should be a lead agency as well as a service provider. It should facilitate the work of the *NEProg*. At the local level, the PES should play an active role in the local boards that steer the growth of secondary cities. This will boost the image and importance of the PES, increase its clientele and contribute to the generation of real time labour market information.
- 1.4. **Create a network of employment services:** The Government and stakeholders may wish to consider an alternative functional model of the PES by creating a network of employment service providers. Discussions with the *PSF* and its structures (chambers

and associations), major employers, NGOs and private employment agencies would be initiated to establish and run employment service centres or access points in specific sectors, districts or provinces. In particular, consideration should be given to the feasibility of creating product cluster-based employment centres or access points linked to ESCs at provincial/district level.

- 1.5. **Enhance the role of the social partners in the PES:** there is broad consensus in Rwanda among the social partners about the need for employment services and the importance of private and not-for-profit providers. To ensure full participation and support, tripartite advisory boards could be established at national and local government level.
- 1.6. **Phase in the introduction of new ESC:** The Government and stakeholders should avoid a simultaneous roll out of the employment services centres. Rather, a careful strategy involving partnerships and networking should be considered to ensure sustainability.

Recommendation 2: Create a legal framework conducive to the operation of PES and other employment services providers

A clear legal framework that gives a clear mandate to the PES, regulates the operations of PrEAs to engender competitiveness, safeguards workers' protection and promotes cooperation between the PES and PrEAs is indispensable. There is no comprehensive law that establishes the PES system, regulates PrEAs or establishes mechanisms for their cooperation. The draft instrument on PrEAs prepared in 2016 has gaps and should be reviewed to ensure that it is comprehensive.

- 2.1 Enact legislation establishing the PES and its functions as well as regulating private employment service providers: the development of this law should begin as soon as the conceptualization of the PES system has been agreed by stakeholders.
- 2.2 Consider ratification of the Employment Service Convention, 1948 (No. 88) and Private Employment Agencies Convention, 1997 (No.181). Undertake a gap analysis to inform the ratification decision.
- 2.3 Promote adoption of codes of ethics and voluntary compliance among private providers: the PSF should encourage private employment services providers to form associations and develop codes of ethics to ensure voluntary compliance and prevent abusive practices.

Recommendation 3: Strengthen the capacity of the PES

In the absence of a national PES structure, its capacity has largely depended on the ability of local government to finance its operations and staff. Support from MIFOTRA and development partners has mitigated the challenges to some extent, but more needs to be done. Human resources, both in terms of quantity and professional quality, are the linchpin of an effective public employment service. The creation of the CESB offers the opportunity for building capacity at national level, but more needs to be done at local level. The YEGO centres provide a reasonable infrastructure for the PES, but they need to be suitably equipped and redesigned for the purpose.

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- 3.1 Strengthen human resources capacity:
 - 3.1.1 MIFOTRA and the CESB should consider undertaking a comprehensive analysis of the HR and training needs of the current structures, including the CESB and MIFOTRA and the PES, including training for beneficiaries and service providers to better understand their professional roles.
 - 3.1.2 The responsible authorities should expedite the recruitment of qualified staff to fill vacant posts in the CESB, KESC and MESC.
 - 3.1.3 Furthermore, the CESB, in collaboration with local government and ESCs, should develop a training plan and mobilize resources for its implementation.
 - 3.1.4 In the medium to long term, develop systems for continuous learning, professionalize PES functions and promote career growth to attract and retain quality staff.
 - 3.1.5 Ensure that staff are recruited on merit in accordance with existing government regulations and guidelines.
 - 3.2 Strengthen the institutional capacity and facilities of the PES:
 - 3.2.1 Improve the signage, office ambiance and facilities for jobseekers in the job centres.
 - 3.2.2 Where feasible, in the medium term, establish subcentres and kiosks in central locations.

Recommendation 4: Ensure a sustainable system for financing the PES

Sustainable financing for the PES is one of the most important factors for its success. The financial sustainability of the employment service centres is a major policy challenge at the moment in Rwanda. Local governments are responsible for mobilizing resources with support from MIFOTRA and probably also the CESB once it is fully established. Given the importance of sustainable labour market coordination, concerted efforts are needed to mobilize and diversify sources of financing. Smaller districts may need more support from the centre to provide a minimum acceptable level of services.

- 4.1 Increase the government allocation from the budget:
 - 4.1.1 In addition to funding the operations of the CESB, central government should consider allocating resources from the national budget to support specific PES activities, with preference to less endowed municipalities to ensure equality of the quality of services provided.
 - 4.1.2 Local government should prioritize financing of ESCs. This will naturally become apparent when the PES acquires its facilitation role in the NEP and local government economic development programmes.

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- 4.2 Intensify and strengthen the resource mobilization strategy: the establishment of the CESB provides an opportunity for concerted efforts to jointly mobilize resources at national and local government level.
 - 4.2.1 The CESB, in collaboration with MIFOTRA and local government should develop and implement a resource mobilization strategy.
 - 4.2.2 Review the implementation of the NEProg ALMPs and ensure cross-fertilization of resources through seamless integration of services and interventions. The NEProg activities could benefit greatly from the services of the PES, which in turn would benefit from the resources and clients at the former's disposal.
 - 4.3 Incorporate a provision in the TVET Act on the training levy/skills financing model requiring a percentage of the Training Levy Fund to be used for financing of the PES and ALMPs.

Recommendation 5: Develop and implement a centralized online jobs portal

Online jobs portals play an increasingly important role in labour market matching and information systems. Recruitment costs for firms and search costs for workers can be lowered significantly if online jobs portals deliver effective employment services. These portals could also promote equity by breaking the elitist recruitment model often observed in developing countries. It should, however, be borne in mind that online portals are only tools for delivery of employment services and, therefore, their success depends on the value of the PES as a whole as perceived by jobseekers and employers. Given the challenges of establishing ESCs in all districts, and to better respond to the needs of young clients, an online jobs portal would be highly useful. MIFOTRA is planning to establish a centralized online portal as part of the LMIS. The KESC portal is underdeveloped and dormant, while the MESOC website merely downloads job vacancy notices into its database.

- 5.1 Conceive and design a framework for the portal, the host institution and linkages with other portals/databases.
- 5.2 Streamline the registration of vacancies and jobseekers in such a manner as to standardize the information input by pre-coding most of the entries, thus lessening the need for direct input by clients or caseworkers, and put in place rules for monthly updating of the live register.
- 5.3 Introduce online services such as career information, online training materials and courses, staff guidance materials and self-improvement, certification of education and background credentials for job seekers, etc.
- 5.4 Ensure wide access to the portal in remote areas where Internet facilities may not be widely available by making provision for offline registration, installing online and offline kiosks in central locations in rural areas, such as in CPCs and ICPCs, technical schools, community centres, etc.
- 5.5 Integrate the use of social media such as Facebook and Twitter, in addition to SMS and email.

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- 5.6 Expand the coverage of services on the portal to include, in addition to vacancies and jobseeker registration, training opportunities, all ALMPs, internships, informal jobs, etc.
 - 5.7 In the medium term, upgrade the portal to provide automatic matching of jobseekers' skills and qualifications to vacancy requirements.
 - 5.8 Develop a National Classification of Occupations in collaboration with MINEDUC and the Sector Skills Councils.

Recommendation 6: Enhance the core role of the PES

ILO Convention No. 88 requires PES to ensure the optimal organization of the labour market to achieve full, productive and freely chosen employment. In the developed world, as well as in some emerging countries like China, the PES coordinates the implementation of employment policy and is part of the institutional coordination and implementation framework. In Rwanda, the PES prior to the creation of the CESB, has been seen as a set of independent centres operating at district level, tasked with reporting their contribution to the creation of the targeted 200,000 jobs annually. Their facilitation role has, at best, not been fully appreciated. As a long-term goal, the PES needs to become a trusted partner of employers and jobseekers, an information hub, a labour market driver and a facilitator of innovation in an ever-changing world of work. Obviously, the above objectives cannot be achieved by job centres alone. Concerted efforts by MIFOTRA, CESB and local government are needed, in collaboration with employers' and workers' organizations.

- 6.1 Strengthen communication mechanisms to improve awareness of the PES among potential clients and the public. A communication strategy that is premised on the staff of an ill-equipped centre is inadequate and will not bring tangible results. MIFOTRA, CESB and local government need to show ample political will by developing a joint communication and advocacy strategy.
- 6.2 Expand the range and integration of services provided: 98 percent of the enterprises in Rwanda are SMEs accounting for 41 percent of private sector employment, meaning that the two percent of large enterprises account for 59 percent of private sector employment.
 - 6.2.1 Develop specialized services designed to meet the needs of the many SMEs that are not expanding, and the few large and medium-sized enterprises that provide the bulk of employment. Such customized services to employers pre-suppose a high profile of PES staff who can provide HR services, advice on labour legislation, etc. on request.
 - 6.2.2 Provide customized services by ensuring that all caseworkers, not just the placement and customer relations officers, are dedicated to serve employers.
 - 6.2.3 Adopt a simplified sequencing of services, through integration with NEProg interventions, to ensure that NEProg participants are properly profiled and are provided with services that are likely to improve their prospects of achieving their desired outcomes.
 - 6.2.4 Ensure that career and vocational counsellors, as well as employment officers, have a full grasp of the national and local labour market, so as to provide relevant labour market information to jobseekers.

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- 6.2.5 Make referral to NEProg interventions an integral part of PES activities, carefully selected based on jobseekers' needs and skills.
 - 6.2.6 Host and operate migration resource centres that provide educational materials, information and awareness programmes for actual and potential labour migrants.
 - 6.3 Diversify models of service delivery and other structures to reach out to women, rural youth, and people with disabilities, as well as other vulnerable groups. The Kora Wigire Centres, telecentres, YEGO centres, CPCs and ICPCs can be utilized, either as access points or as satellite centres operated in collaboration with partners.
 - 6.4 Make use of multi-channelling to play a triple role of promoting cost efficiency, reaching out to specific needs of the young and the technology-aware jobseekers as well as promoting equity in the labour market.
 - 6.4.1 The Government should consider using technology, like the Republic of Korea and India, to expand its services to the young and jobseekers in areas not served by the job centres. The proposed establishment of the Area Wide Network is a step in the right direction. However more investment is required to install servers and develop a nationwide online jobs portal that would, in the medium term, provide matching services.
 - 6.4.2 In the medium term, establish a call centre to assist jobseekers to access PES and NEProg services.
 - 6.4.3 Establish mobile services to subcentres to deliver employment services.
 - 6.4.4 Collaborate with HLI career advisory centres and NGOs that provide such services, or contract out services using innovative mechanisms.
 - 6.4.5 Explore ways of using MYICT's job desks in districts and/or establishing kiosks and access points in key areas across the country.

Recommendation 7: Strengthen partnerships with other employment services providers

The monopoly of the PES in the provision of employment services was formally ended at the international level with the adoption of the ILO Private Employment Agencies Convention (No. 181) in 1997. The role of private providers in promoting efficient adjustment in the labour market has been fully recognized. Developed countries have sought partnerships with private and not-for-profit providers after their PES were already advanced, in search of efficiency and cost effectiveness. Partnerships also increase the capacity of the PES by accessing specialized expertise from private organizations and NGOs, benefiting from less bureaucracy in these organizations and also expanding the services available to jobseekers and employers and offering a wider choice. The caveat, however, is the need for a strong PES to manage the partnerships and avoid worker exploitation. In Rwanda, there is already a general acceptance of PrEAs in the labour market, hence partnerships are possible, provided appropriate legal and institutional mechanisms are put in place.

- 7.1 Undertake a comprehensive mapping of non-state employment services and ALMP providers at all levels. This could be done in phases. At the national level, a mapping of PrEAs was undertaken in 2015.

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- 7.2 Strengthen PES linkages to the NEProg., The NEProg allows easy access to PES collaboration and partnership with public, private and not-for-profit institutions offering training, entrepreneurship and counselling services. The NEProg activities could benefit greatly from the services of the PES, which in turn would benefit from the resources and clients at the former's disposal. In the absence of unemployment benefits, access to the NEProg activities would be an incentive for jobseekers to register with the PES – thus creating a database of jobseekers and employment opportunities. This would also help NEProg to set a sustainable system of identifying participants who have been screened and profiled by the PES and thus save time and resources spent in calls for applications.
 - 7.3 Promote collaboration with PrEAs and NGOs: there are many PrEAs and NGOs that provide employment services and other ALMPs. Collaboration could include pooling of vacancies and jobseekers, joint training, contracting out of services, adoption of common standards, etc. The channels of efficient cooperation between public and private employment agencies should be identified and fostered. Partnerships between the PES and PrEA would help to minimize irregularities in the recruitment process and equip emigrant workers with necessary information.
 - 7.4 Consider development of an employment service network as suggested in Recommendation 1.

Recommendation 8: Strengthen the capacity of the PES for collection and analysis of labour market information

Public employment services use labour market information for counselling and empowering jobseekers to make informed choices about their lifelong careers and learning. They also use this information for advising employers and for making internal decisions regarding the programmes and services to offer. On the other hand, as the PES grows, and its activities and clientele expand, it can generate enormous amounts of administrative data which provide real time labour market intelligence. This information can also be used to assess the impact of government programmes to combat unemployment or enhance skills and employability. Advances in technology have made storing, retrieving and processing such information much easier. Over 52,000 jobseekers went through the NEProg in 2015/16 financial year and less than 2,000 through the PES during the same period. An integration of the NEProg M&E and PES databases would generate an enormous amount of data for signalling the state of the Rwandan Labour market. The PES also needs to build capacity to analyse data from other sources and present it as useful information for its clients.

- 8.1 Develop and use the jobs portal to collect, analyse and disseminate administrative data on registered labour market participants. Develop the portal to automatically produce custom reports and use the information to design new programmes.
- 8.2 Build the capacity of PES staff to undertake detailed analysis of wider labour market information from various sources and convert it into useful information for informed policy and programme development.
- 8.3 Ensure collaboration with other actors, such as the National Institute of Statistics Rwanda (NISR) MINEDUC, MINICOM, etc. to fill LMI gaps.

Recommendation 9: Strengthen the implementation modalities and performance management system of the NEProg

The unprecedented success of the NEProg in its first two years of implementation is very encouraging. Almost 52,000 jobs were created in the financial year 2015/16. The programme holds much hope for the future. However, for this potential to be realized, jobs need to be sustained and businesses created need to grow. In addition to the reporting protocols already in place, systems should be developed and put in place to measure objectively the impact on employment and other outcomes. A balance needs to be struck between the urgency of achieving national targets and what can be realistically done to create productive and decent employment. The original plan to deliver integrated ALMPs that tackle both the demand and supply sides should be reconsidered.

10. Action Plan for the development of the PES in Rwanda

| Outcome 1: Enhanced policy and legal framework for effective delivery of employment services and Active Labour Market Policies | | | | | | | | | |
|--|---|--------------------------------|--|--------------|-----------|--------|--------|--------|---------|
| Strategic Objectives | Outputs | Lead implementing Institutions | Other implementing and stakeholder institutions | Budget (RwF) | Timeframe | | | | |
| | | | | | Y1 / 2 | Y3 / 4 | Y5 / 6 | Y7 / 8 | Y9 / 10 |
| Conceptualize and develop a Public Employment Service system in Rwanda | PES Policy and Strategy developed through a participatory process | CESB, MIFOTRA | PSF, RDB, MYICT, MINECOFIN, CESTRAR, NEProg institutions | | | | | | |
| | Organizational structure and functional model of PES adopted | CESB, MIFOTRA | NEProg institutions | | | | | | |
| | Institutional framework for PES clarified and link to NEP established | CESB, MIFOTRA | NEProg institutions | | | | | | |
| Develop a legal framework conducive to the operation of the PES and other employment services providers | A law establishing and providing for the mandate and functions of PES enacted | MIFOTRA | CESB, NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | A law providing for the operation and regulation of private employment agencies enacted | MIFOTRA | CESB, NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | Code of ethics developed through consensus building and participatory processes | PSF | MIFOTRA, CESB, RDB, PrEAs | | | | | | |
| | Relevant ILO Conventions, especially C88, C181 and C122, ratified | MIFOTRA | CESB, NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | | | | | | | | | |

| Outcome 2: Strengthened capacity in Government and other stakeholders to ensure effective delivery of employment services and ALMPs | | | | | | | | | |
|---|--|--------------------------------|---|--------------|-----------|--------|--------|--------|---------|
| Strategic Objectives | Outputs | Lead implementing Institutions | Other implementing and stakeholder institutions | Budget (RwF) | Timeframe | | | | |
| | | | | | Y1 / 2 | Y3 / 4 | Y5 / 6 | Y7 / 8 | Y9 / 10 |
| Strengthen the capacity of the Public Employment Service (PES) | A comprehensive analysis of the HR and training needs undertaken, and a ES HR development plan adopted and implemented | CESB | MINEDUC, MIFOTRA | | | | | | |
| | Qualified staff recruited to fill vacant posts in CESB, KESC and MESC | CESB | MIFOTRA | | | | | | |
| | PES professionalization plan developed and implemented | CESB | MIFOTRA | | | | | | |
| | Institutional capacity, including PES facilities developed | CESB | MIFOTRA | | | | | | |
| Ensure a sustainable system for financing the PES | Budget allocation to the PES at central and local government level increased | MINECOFIN | MIFOTRA, CESB | | | | | | |
| | Alternative sources of funding (such as training levy/skills financing fund) identified and secured | CESB | MINECOFIN, MIFOTRA | | | | | | |
| | Resource mobilization strategy developed and implemented | CESB | MINECOFIN, MIFOTRA | | | | | | |

Outcome 3: PES become the preferred or competitive provider of employment services, lead agency of the labour market and coordinator of labour market policies

| Strategic Objectives | Outputs | Lead implementing Institutions | Other implementing and stakeholder institutions | Budget (RwF) | Timeframe | | | | |
|---|---|--------------------------------|--|--------------|-----------|--------|--------|--------|---------|
| | | | | | Y1 / 2 | Y3 / 4 | Y5 / 6 | Y7 / 8 | Y9 / 10 |
| Improve the efficiency and effectiveness of service delivery | A centralized comprehensive online jobs portal, providing automatic matching, counselling and information services developed and implemented | CESB, MIFOTRA | ESCs | | | | | | |
| | The range, level and integration of services on offer are expanded and deepened | CESB | ESCs, MIFOTRA | | | | | | |
| | Models of service delivery as well as other innovative structures to reach out to women, rural youth, people with disabilities as well as other vulnerable groups diversified and gradually adopted (Multi-channelling) | CESB | ESCs, MIFOTRA | | | | | | |
| | Communication mechanisms to improve awareness of the PES among potential clients and the public strengthened | CESB | MIFOTRA, ESC | | | | | | |
| | | | | | | | | | |
| Strengthen PES capacity for collection, analysis and dissemination of labour market information | Administrative data generated, collected, analyzed and reports produced automatically through the portal | CESB | MIFOTRA, ESC | | | | | | |
| | Capacity of PES officials strengthened to undertake detailed analysis of wider labour market information from various sources and convert it to useful information for informed policy and programme development | CESB | MIFOTRA, ESC, Districts | | | | | | |
| | Collaboration among LMI actors, including link to the wider LMIS, developed | CESB | NISR, NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | Systems to measure objectively the impact of PES services and other employment programmes on employment and other outcomes developed and implemented | CESB, MIFOTRA | NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | | | | | | | | | |

Outcome 3: PES become the preferred or competitive provider of employment services, lead agency of the labour market and coordinator of labour market policies

| Strategic Objectives | Outputs | Lead implementing Institutions | Other implementing and stakeholder institutions | Budget (RwF) | Timeframe | | | | |
|--|--|--------------------------------|--|--------------|-----------|--------|--------|--------|---------|
| | | | | | Y1 / 2 | Y3 / 4 | Y5 / 6 | Y7 / 8 | Y9 / 10 |
| Strengthen partnerships with other employment services providers | A mapping of non-state actors providing employment services and ALMPs undertaken and report disseminated | CESB, MIFOTRA | NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | Collaboration and partnerships between PES, NGOs and the PrEAs established and implemented | | | | | | | | |
| | PES role in the implementation of NEProg enhanced | MIFOTRA, CESB | NEProg institutions, social partners, RDB, PrEAs | | | | | | |
| | A network of employment service providers established | MIFOTRA, CESB | NEProg institutions, social partners, RDB, PrEAs | | | | | | |

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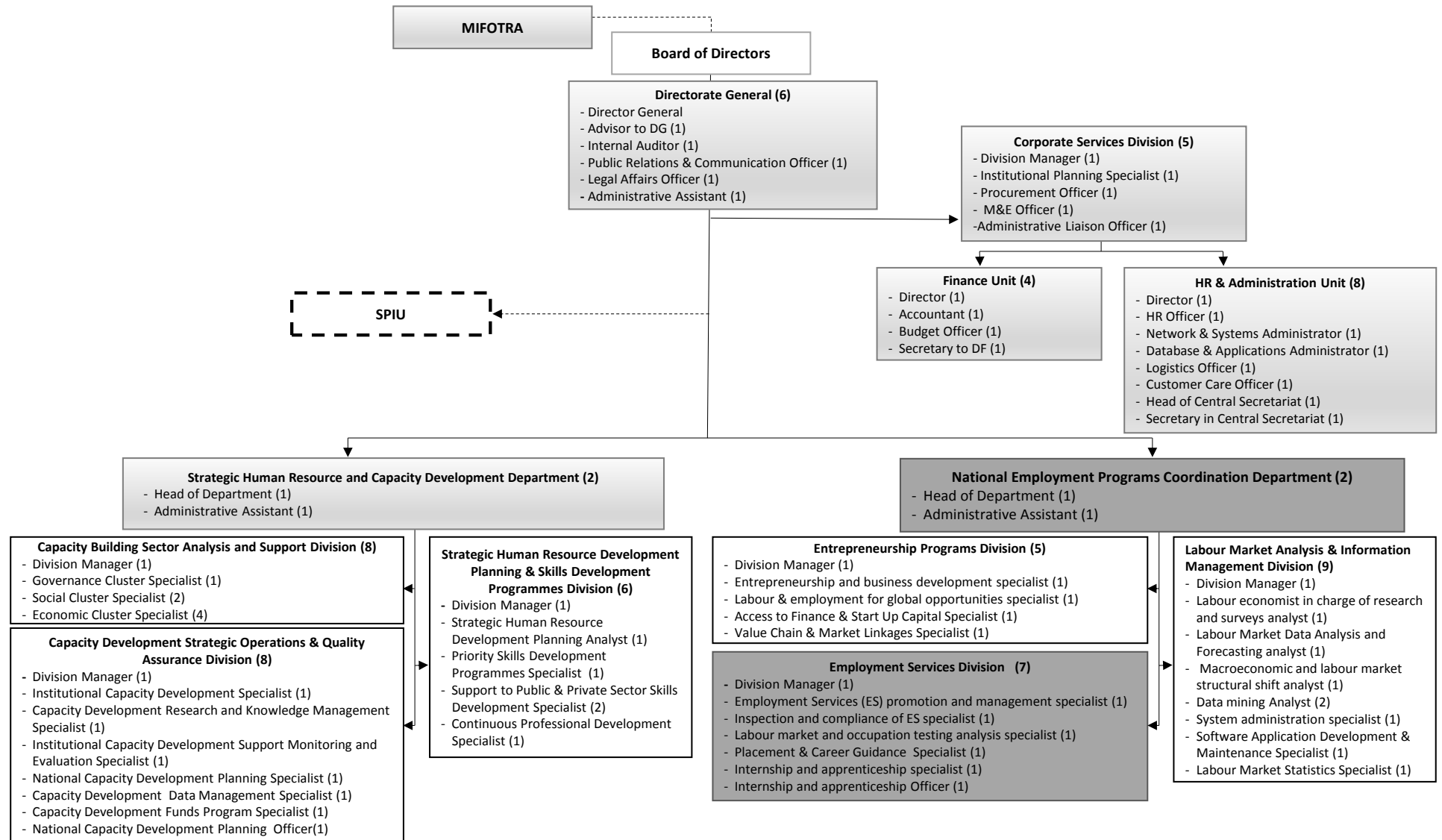
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Annexes

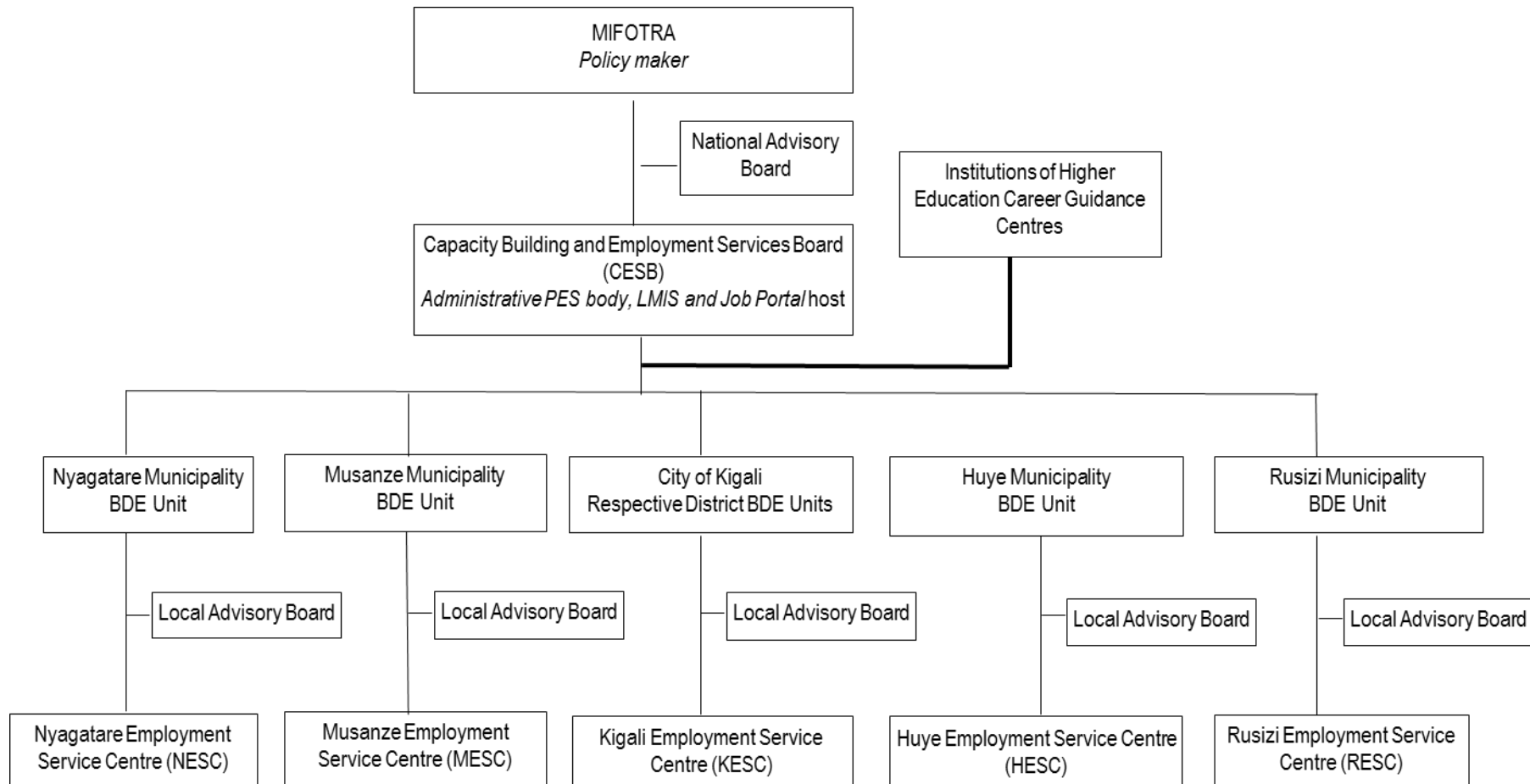
Annex1. List of persons/institutions

1. Kigali Employment Service Centre: Centre Manager
2. Ministry of Industry, Trade and East African Affairs: Acting Director of Entrepreneurship Unit
3. GIZ: Development Adviser
4. Workforce Development Authority: Deputy Director
5. Musanze District Council: Mayor, Deputy Mayor and Director of Business Development and Employment Unit
6. MIFOTRA: PS, Director Labour Relations; NEP Manager, DG Employment and Labour, Director of Research and Employment
7. National Capacity Building Secretariat: Executive Secretary, Head of SPU, Division Manager for Capacity Building, Division Manager for Strategic and Quality Assistance
8. Ministry of Youth and ICT: Officers responsible for Youth Empowerment for Global Opportunity (YEGO Centres)
9. Ministry of Education: Director General for Science, Technology and Research
10. Swedish Embassy/SIDA: Senior Programme Manager – Private Sector Development
11. Integrated Polytechnic Regional Centre (IPRC), Bugesera: Mr Jean-Claude Benimana, Vice Principal, Academics and Training
12. Akazi Kanoze Access: Director
13. Private Sector Federation: Clemence Murekatete, Head of Employment and Labour Relations; Betty Habatoni, Head of District Coordination
14. Centrale des Syndicats des Travailleurs du Rwanda (Rwanda Workers Trade Union Centre) (CESTRAR): Mr. Eric Manzi, Secretary General

Annex 2: Capacity Development and Employment Services Board (CESB): Organizational Structure



Annex 3: PES – Proposed organizational structure



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