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What works for Youth Employment in Africa: A review of youth employment policies and their impact in Rwanda.



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Abstract

This study represents Phase II of a review of Rwanda's youth employment policies and assesses their effectiveness in creating dignified work for young people, especially women, persons with disabilities, and refugees. It explores how policies address the employment needs of these groups and provides recommendations for strengthening interventions to accelerate job creation. The research seeks to answer the question “*how do existing national policies, strategies and programmes address skills development, youth employment, and job creation in Rwanda?*” A mixed-methods approach was used that combines a quantitative analysis of national statistical data with qualitative insights from the relevant literature, policymakers, and other stakeholders (80 key informant interviews), and youth perspectives (132 respondents through 12 focus group discussions and 33 in-depth interviews). The study compares policy intentions with actual implementation and uncovers critical gaps, including inadequate public funding, weak monitoring systems, limited private sector involvement, and the under-recognition of the informal sector's role in job creation. The findings call for policy reforms to enhance private sector engagement through fiscal and non-fiscal incentives, strengthen monitoring mechanisms, improve employment indicators, and decentralise initiatives to expand equitable reach/access in order to ultimately ensure more inclusive and effective job creation for youth.

Keywords: Youth employment, policies, Rwanda

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Disclaimer:

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Table of Contents

I.	Introduction	2
II.	Context Framework.....	3
	2.1. Education outcomes.....	3
	2.2. Labour force participation.....	4
	2.3 Employment elasticity.....	6
III.	Methods.....	7
	3.1 Secondary data collection.....	7
	3.2. Primary data collection.....	8
IV.	Review of Youth Employment Programmes.....	9
	4.1. Overview of youth employment programmes.....	11
	4.1.1. Skills development	11
	4.1.2. Employment promotion	12
	4.1.3. Matching.....	13
	4.2. Cross-cutting YEP implementation challenges.....	15
	4.2.1. Resource allocation and prioritisation	15
	4.2.2. Monitoring and evaluation systems.....	16
	4.2.3. Private sector buy-in	17
	4.2.4. Informal sector.....	18
	4.2.5. Minimum wage	19
	4.2.6. Youth engagement structures	20
V.	Political Economy of Youth Employment Policies.....	21
	5.1. Overview	21
	5.2. The (in)adequacy of youth employment policies.....	21
VI.	Conclusion	23
	6.1.Key findings and policy implications.....	24
	6.2.Research gaps.....	27
	References	31

List of Acronyms

#	Acronym	Meaning	#	Acronym	Meaning
1	BDF	Business Development Fund	28	MININFRA	Ministry of Infrastructure
2	BRD	Development Bank of Rwanda	29	MOYA	Ministry of Youth and Arts
3	CSO	Civil Society Organisation	30	MSME	Micro, Small, and Medium Enterprise
4	DDI	Domestic Direct Investment	31	MTPIP	Medium-Term Public Investment Programme
5	EDP	Entrepreneurship Development Policy	32	MVT	Massive Vocational Training
6	ESC	Employment Service Centre	33	NGO	Non-Governmental Organisation
7	FDI	Foreign Direct Investment	34	NISR	National Institute of Statistics of Rwanda
8	FGD	Focus Group Discussion	35	NSDEPS	National Skills Development and Employment Promotion Strategy
9	GDP	Gross Domestic Product	36	NST-1/2	National Strategy for Transformation-1/2
10	GoR	Government of Rwanda	37	NYC	National Youth Council
11	IBT	Industrial-Based Training	38	ODA	Official Development Assistance
12	ICPC	Integrated Craft Production Centre	39	OSY	Out-of-School Youth
13	IDI	In-depth interview	40	PSDYE	Private Sector Development Youth Employment
14	ILO	International Labour Organisation	41	PSDYES	Private Sector Development Youth Employment Strategy
15	IWOSS	Industries Without Smokestacks	42	PSF	Private Sector Federation
16	KII	Key Informant Interview	43	PWD	Person with a Disability
17	KOICA	Korea International Cooperation Agency	44	RCA	Rwanda Cooperative Agency
18	M&E	Monitoring and Evaluation	45	RDB	Rwanda Development Board
19	MIFOTRA	Ministry of Public Service and Labour	46	RMF	Road Maintenance Fund
20	MIGEPRO F	Ministry of Gender and Family Promotion	47	RP	Rwanda Polytechnic
21	MINAGRI	Ministry of Agriculture	48	RRT	Rapid Response Training
22	MINALOC	Ministry of Local Government	49	RTB	Rwanda TVET Board
23	MINECOFIN	Ministry of Finance and Economic Planning	50	RWF	Rwandan Franc

2	MINEDUC	Ministry of Education	51	SDF	Skills Development Fund
4					
2	MINEMA	Ministry in Charge of	52	TVET	Technical and Vocational
5		Emergency			Education and Training
		Management			
2	MINICO	Ministry of Trade and	53	UNHCR	United Nations Refugee
6	M	Industry			Agency
2	MINICT	Ministry of ICT and	54	YEP	Youth Employment
7		Innovation			Programme

Executive Summary

Rwanda's Vision 2050 strategy and National Strategy for Transformation (NST-2) prioritise leveraging the nation's youthful demographic to drive economic growth. These frameworks emphasise investing in skills development and entrepreneurship to create sustainable job opportunities. These investments are key to Rwanda's overarching goal of becoming a middle-income economy by 2035 and achieving a high-income status by 2050, and youth play a central role in this transformation.

This study builds on the 2021 Review of Youth Employment Policies/Programmes and Their Impact in Rwanda – Phase 1 (IPAR, 2024) to inform country-level policy/programmatic support for job creation, particularly for youth and other marginalised groups. It re-examines key questions from the 2021 review, including how policies address youth employment, gaps, and opportunities. It also introduces new elements, such as stakeholder roles, the impact of taxation policies, and mechanisms for policy tracking/learning.

Hence, a mixed-methods approach was utilised to compare stated policy intentions (*de jure*) with practical implementation (*de facto*). A secondary data analysis was performed to examine Rwanda's socio-economic context. Additionally, a total of 80 key informant interviews, 12 focus group discussions, and 33 in-depth interviews were conducted with youth (132 in total) from different backgrounds, policymakers, programme implementers, and development partners.

The secondary data analysis identified five key intervention areas to address youth employment challenges in Rwanda. First, the lack of clear government budget commitments threatens the sustainability of initiatives and makes it necessary to secure dedicated allocations for youth employment and better align foreign and domestic direct investment with job creation targets. Second, weak institutional capacity and inadequate tracking hinder programme/policy evaluation. Hence, it is necessary to strengthen monitoring and evaluation systems at the local level, harmonise initiatives, and enhance youth employment indicators. Additionally, limited local impact and access to policy information mean digital platforms are required to boost youth engagement in policy. Furthermore, high training costs and limited incentives hinder private sector involvement, which highlights the need for stronger engagement and incentivisation models to drive job creation. Lastly, the absence of a minimum wage policy disadvantages youth, which emphasises the need to pilot a sectoral minimum wage that is aligned with sector-specific cost structures.

I. Introduction

Africa's youth account for 34.2% of the population (ILO, 2020) and will constitute half of the working-age population by 2063. This demographic shift presents both opportunities and challenges when it comes to employment given that many young people are unemployed or underemployed. Like other African countries, Rwanda faces a significant demographic challenge because it has a fast-growing youth population (aged 16–30) that is projected to grow 65% by 2052 (NISR, 2022) and injects an average of 60,000 young people into the labour market annually. However, youth unemployment remains high, at 20.8%, which exceeds the national average of 17.2% (NISR, 2024). Additionally, youth labour underutilisation, which sits at 56.6% (NISR, 2025), continues to be a major concern, and limited skills and education outcomes further hinder employment opportunities.

The way the country has approached economic transformation to address this has been shaped by its post-Genocide recovery, strong governance, and an emphasis on home-grown solutions that drive social and economic progress. Policies such as the National Strategy for Transformation (NST-2), the National Employment Policy, and the National Youth Policy aim to accelerate job creation and enhance youth socio-economic empowerment. Governance mechanisms like *"imihigo"* (performance contracts) have enhanced public service delivery, including in education and employment programmes.

While progress has been made, challenges remain, and improvements are still needed to translate policies into sustainable employment opportunities. Additionally, there is a need to evaluate the extent to which the different public and youth-focused policies are driving youth employment forward across the country.

This study therefore aims to conduct a follow-up review of youth employment policies in Rwanda to document emergent changes in policies and practices that have occurred since the first review (IPAR, 2024). It assesses the policies' effectiveness in creating dignified and fulfilling work and employment for youth. It seeks to provide insights for strengthening country-level policymaking to address the diverse needs of young people, particularly women and marginalised population groups such as persons with disabilities and refugees, and to accelerate job creation.

II. Context Framework

Rwanda's labour market, particularly its youth labour market, is shaped by critical supply- and demand-side dynamics that influence job accessibility, quality, and sustainability. Understanding these trends is crucial for assessing the effectiveness of youth employment programmes (YEPs) and the adequacy of existing policies, as they shape the broader context in which these interventions take place.

New themes are introduced in this Phase II review to deepen our understanding of Rwanda's youth (un)employment challenge. This phase builds on the findings from Year 1 by refining the definition of the youth population to move away from a monolithic approach. A key addition is the introduction of the concept of out-of-school youth (OSY), which makes it possible to better target YEP design and implementation. Moreover, this paper introduces the concept of employment elasticity, which serves to identify sectors where youth employment is most concentrated and highlight the key drivers of performance in these sectors.

2.1. Education outcomes

A significant proportion of young people entering the labour market face structural challenges due to low educational attainment. Nearly one-third (32%) of them have no formal education (NISR, 2024), while 37% have completed only primary school levels (NISR, 2024) that do not equip them sufficiently for a competitive job market. These challenges are further exacerbated for youth with disabilities and those from rural, low-income backgrounds. As a result, a skills mismatch persists between what employers require and the qualifications that

are attained through the basic education system.

To address the skills gap, the Government of Rwanda (GoR) prioritised the technical and vocational education and training (TVET) sector as a key pathway for equipping youth with practical skills and improving their employability. A goal of NST-1 (2018–2024) was for TVET to absorb 60% of graduates of the nine-year basic education system by 2024 (Rwanda TVET Board, 2021) to foster further practical learning and reduce the skills mismatch in the labour market.

Despite government efforts, access to TVET remains constrained. By the 2023/2024 academic year, enrolment stood at just 32%, nearly 50% below the target (MINEDUC, 2024). Key challenges persist, including high training costs that limit access, gender disparities, concerns over programme quality, and a continued mismatch between acquired skills and labour market needs. As of 2023/2024, only 8% of youth had completed TVET training (NISR, 2024).

Employers consistently report TVET graduates have gaps in their practical, hands-on experience that limit their ability to integrate effectively into the workforce (Hakizayezu & Maniraho, 2024). The transition from education to stable employment remains a significant challenge for all youth, including TVET graduates. A 2021 International Labour Organisation (ILO) study found that only 15% of Rwandan youth have secured stable and satisfactory jobs, while 50% remained in transition—often in temporary or precarious roles—and 35% were still outside the labour market (ILO, 2023).

2.2. Labour force participation

Overall, youth labour force participation in Rwanda stands at 56.2%, with 44.5% of youth employed and 11.7% unemployed (NISR, 2024). The remaining 43.8% of youth are outside the labour force, primarily due to school enrolment (NISR, 2024). The participation rate for youth is lower than that for the broader working-age population, which sits at 59.3%, because a substantial proportion of the 16–25 age group remains in education (NISR, 2024).

Labour force participation varies significantly across youth segments. Out-of-school

youth (OSY)¹ are far more likely to participate in the labour market than their in-school peers (86.5% versus 33.7%) largely because early school exits lead to employment in the informal sector (NISR, 2024). While no significant difference exists between the participation rates of urban and rural youth, gender-based disparities are evident. According to the National Institute of Statistics of Rwanda's 2023 Labour Force Survey, a higher proportion of young men participate in the labour force than young women (61.1% versus 51.6%), with factors such as teen pregnancy, childcare responsibilities, household chores, and engagement in subsistence farming—which is often not recognised as employment—contributing to lower female participation.

For youth with disabilities, labour market inclusion remains a significant challenge. Around 61% (NISR, 2024) of young people with disabilities (PWDs) are not actively seeking employment due to multiple barriers, including limited access to assistive devices, employer reluctance due to additional support needs, and persistent social stigma.

Youth unemployment stands at 20.8%, compared to 17.2% for the general working-age population (NISR, 2024). However, unemployment rates vary widely across demographic groups. A significantly larger proportion of young women experience unemployment than young men (25.2% versus 16.9%) (NISR, 2024). Geographically speaking, rural youth have a slightly higher unemployment rate than their urban counterparts (21.5% versus 19.6%) (NISR, 2024). Youth with disabilities have the highest unemployment rate, at 30.1% (NISR, 2024), which underscores the need for targeted, inclusive interventions to increase both their labour force participation and their employment opportunities. Beyond unemployment, youth labour underutilisation—a measure that incorporates those unemployed, those underemployed, and those not actively seeking work—stands at 56.6% (NISR, 2025), which highlights the urgent need for policies and programmes that enhance meaningful youth employment opportunities.

Informal employment remains the dominant form of work among Rwandan youth, with the informal sector engaging 94% of employed young people compared to 90.3% of the

¹ Out-of-school youth (OSY) are defined as youth aged 16–30 who have not completed secondary education and are not currently pursuing general education, TVET, or any other form of formal training.

total working population (NISR, 2024). A person is considered informally employed if they lack entitlements such as social security benefits or paid leave. Regardless of educational background considered, most youth employment opportunities are concentrated in the informal sector (Muhanguzi, 2024). While informal employment rates show little variation across most demographic groups, they are particularly high among rural youth, young PWDs, and OSY.

The prevalence of informal employment stems largely from structural shortfalls in job creation. Most new jobs emerge in micro, small, and medium enterprises (MSMEs) and smallholder agriculture—sectors that are characterised by low earnings and heightened employment vulnerability. As a result, informal workers often experience job instability, limited access to social protections, and lower wages.

In contrast, formal employment—which typically offers better remuneration and job security—accounts for less than 10% of the total labour force and spans both the public and private sectors (NISR, 2024). Most Rwandans, particularly those in rural areas, rely on small-scale agriculture, where underemployment and low productivity persist. Roles in this sector are predominantly filled by individuals with lower levels of education, which reinforces poverty and economic insecurity cycles.

2.3. Employment elasticity

In recent years, the so-called “industries without smokestacks” (IWOSS) have gained attention for their potential to drive growth and job creation in Africa (Newfarmer, Page, & Tarp, 2018). These industries include commodity-based agri-processing and services trade—mostly in agri-food system sub-sectors.

The employment elasticity² of Rwanda’s IWOSS is 1.10, which is higher than that of both its overall economy (0.4) and its non-agro manufacturing (0.69) (Newfarmer & Twum,

² Employment elasticity is the percentage change in employment for a 1% change in GDP (or rather gross value added) in a sector.

2022). This means that for each percentage point the gross value of Rwanda's IWOSS increases, employment increases by 1.1%.

Agro-processing has the highest job creation potential, with an employment elasticity value of 3.41—meaning a 1% increase in economic output leads to a 3.41% increase in jobs (Newfarmer & Twum, 2022). This sector's impact is particularly strong for women (3.92%) and youth (1.95%) (Newfarmer & Twum, 2022), which highlights its importance in expanding employment opportunities.

As a result, value addition presents a key avenue for youth employment in Rwanda. Additionally, youth employment elasticities reflect skill levels—sectors with higher employment elasticity typically require lower skills, while those with lower elasticity demand more advanced skills.

III. Methods

A mixed-methods approach was adopted to collect the primary and secondary data required to review policy documentation and compare stated policy intentions with practical implementation. This review followed a similar research approach to the previous review (IPAR, 2024) and employed a desk review of comparable national policies and strategies, though in this case the period was 2020–2024. The same data collection sample size of 80 KIs and 120 youth participants was considered, while secondary national statistical sources from the period 2020–2024 were also analysed. Any deviations in coverage/scope between the two study phases are highlighted in the sub-sections that follow.

3.1. Secondary data collection

The secondary data analysis provided insights into youth demographics, education and labour market trends, and macroeconomic performance. Additionally, the literature review examined policies, programme evaluations, and the political economy of youth

employment in Rwanda. Sources included labour force surveys, population censuses, national and international frameworks, tracer studies, and monitoring and evaluation (M&E) reports.

3.2. Primary data collection

The study employed qualitative methods for primary data collection to capture firsthand insights into youth employment policies. Methods utilised include focus group discussions (FGDs), individual in-depth interviews (IDIs), and key informant interviews (KIIs).

Additionally, data collection followed a semi-structured approach by integrating open-ended questions to allow for flexibility and consistency in gathering insights. In this review, additional topics were incorporated to build on the previous round of data collection [(IPAR, 2024)], such as tracking and monitoring systems, implementation mechanisms, stakeholder roles—particularly youth participation in shaping employment policies—and gaps and opportunities in startup and taxation policies.

The study used data from the 2023 Labour Force Survey and targeted districts with higher youth employment rates in key economic sectors (agriculture, services and industry). Data was collected from six urban and rural districts (Gasabo, Kamonyi, Rwamagana, Kirehe, Nyabihu, and Musanze). To effectively reach young refugees, the team deployed primary data collection in the Mahama refugee camp, which is the largest in the country and has 51% of its population under 18 years old (UNHCR, 2023). Therefore, the selection criteria used for districts in this review departed from what was used the previous review [(IPAR, 2024)], which focused on secondary and satellite cities, as well as rural areas. Instead, districts were chosen based on their dominant economic sectors and youth participation levels. The adjustment allowed for a more targeted exploration of how employment policies affect youth and the sectors in which they are most active.

The scope of stakeholder engagement was also expanded in this study. While the previous review involved primarily the public sector, with minimal (1%) non-government representation, this one ensured broader participation from non-government institutions to

provide more diverse views and opinions on the impact and efficacy of policies. In total, 80 KIIs were conducted with government institutions, CSOs, business and labour groups, NGOs, the private sector, and bilateral and multilateral organisations. To ensure direct youth engagement, 12 FGDs and 33 IDIs were conducted with young men and women, youth with disabilities, and refugees. Overall, 132 youth participants across different age groups, education levels and employment categories (both within and outside the labour force) were consulted (see Table 1).

Table 1: Participants reached

Stakeholder type	Number of interviews	Number of participants		
		Female	Male	Total
Government ministries and agencies	22	5	20	25
Labour union	1	-	1	1
CSOs, NGOs, private sector and other development partners	45	27	30	57
Youth leaders (National Youth Council representatives)	12	6	6	12
Youth (beneficiaries)	45	55	65	120
Total	125			215

Source: Vanguard Economics (2024). Primary data collection, YEP review.

Integrating quantitative data from labour force surveys, a literature review, and qualitative perspectives from policymakers, youth, and other stakeholders ensures the study provides a comprehensive understanding of policy effectiveness, challenges, and gaps. This triangulated approach offers a nuanced perspective on how existing policies shape youth employment outcomes and highlights areas for improvement to promote more inclusive and sustainable opportunities for the young workforce.

IV. Review of Youth Employment Programmes

Youth employment is shaped by a range of overarching policies that align with

Rwanda's broader development goals set out in Vision 2050 (MINECOFIN, 2020) and NST-2 (MINECOFIN, 2024). These policies focus on human capital development, skills development, and job creation as key drivers of economic growth. On the supply side, policies such as the Education Sector Policy (MINEDUC, 2003), TVET Policy (MINEDUC, 2015), and Rwanda Polytechnic Strategic Plan (Rwanda Polytechnic, 2021) aim to equip youth with market-relevant skills. On the demand side, policies such as the Made in Rwanda Policy (MINICOM, 2017) and the Fifth Strategic Plan for Agriculture Transformation (MINAGRI, 2024) focus on enhancing sector growth to generate job opportunities. Additionally, the National Youth Policy (MOYA, 2015), National Gender Policy (MIGEPROF, 2021), and National Decentralisation Policy (MINALOC, 2021) play a crucial role in advancing inclusive youth employment strategies. Moreover, the Labour Law (MIFOTRA, 2018) ensures workforce protections for both employers and employees, particularly women and youth.

In this study in particular, youth employment policy is defined as any public or mixed public-private programme that is focused on youth. Central to these policies are the National Employment Policy (MIFOTRA, 2019), Workplace Learning Policy (MIFOTRA, 2015), Entrepreneurship Development Policy (MINICOM, 2020), Private Sector Development and Youth Employment Strategy (MINICOM, 2017) and National Skills Development and Employment Strategy (RDB, 2018). Collectively, the policies and strategic frameworks provide an integrated approach to active labour market interventions that promote skills development and employment opportunities for youth.

While these frameworks were examined in the previous review, this review delves deeper into their high-level outcome objectives and key intervention areas to focus on the populations targeted, rationale, and selection criteria. Additionally, this review departs from the previous review's focus on the last two decades and focuses instead on policies developed in alignment with NST-1, Rwanda's current development strategy. This approach ensures the study is relevant to policymakers, as Rwanda is currently developing its next sectoral strategies linked to the newly enacted NST-2.

4.1. Overview of youth employment programmes

It was determined from the above-mentioned key policies and strategic frameworks that the implementation of youth employment policies is based on three key strategic pillars: skills development, employment promotion, and job matching. These pillars guide initiatives aimed at addressing youth unemployment and achieving the goals set out in Vision 2050. The following sub-sections provide a detailed overview of each pillar and related interventions.

4.1.1. Skills development

Rwanda places a strong emphasis on equipping youth with relevant skills to enhance their employability. To achieve this, interventions incorporate internships, apprenticeships, and massive vocational training, which help bridge the gap between education and the labour market. Table 2 summarises some skills development interventions.

Table 2: Skills development interventions

Intervention	Description	Key implementers
Industrial Based Training (IBT)	Provides an opportunity to acquire labour market-relevant skills. Includes apprenticeships, internships, recognition of prior learning, and skills upgrading for the informal sector.	Rwanda Development Board (RDB), Private Sector Federation (PSF), TVET schools, private companies
Rapid Response Training (RRT)	An investor-focused intervention that targets private and public sector projects that need skills improvement and production scaling.	RDB, PSF, TVET schools, private companies
Massive Vocational Training (MVT)	Provides short-term training that equips out-of-school youth with practical skills for employment in labour-intensive trades that are in line with local demand and opportunities.	RDB, PSF, TVET schools, private companies

Source: Compiled by Vanguard Economics³

³ Sources: Rwanda Development Board (2018). National Skills Development and Employment Strategy; Rwanda Polytechnic (2021). Tracer Survey – Graduates Employability and Employers Satisfaction; UNDP (2023). 2023 Annual Report; BDF (2021). 2021 Annual Report; RDB (2022). Tracer Study of Graduates from Rapid Response Training (RRT).

4.1.2. Employment promotion

Employment promotion interventions encompass a range of initiatives aimed at improving access to markets, capital, and business advisory services while promoting a business-enabling environment for startups and MSMEs. These interventions target sectors such as agriculture, tourism, construction, and technical trades, and provide tailored support through loans, credit guarantees, competition awards, equipment leasing, and skill-building programmes. Table 3 summarises employment promotion interventions.

Table 3: Employment promotion interventions

Intervention	Description	Key implementers
Integrated Craft Production Centres (ICPCs), known locally as “ <i>agakiriro</i> ”	Standardised and modern business centres that enable local artisans to produce and market their products in one location rather than operating in scattered makeshift structures.	Ministry of Trade and Industry (MINICOM), RDB, PSF, Ministry of Local Government (MINALOC), Development Bank of Rwanda (BRD)
Business Development Fund (BDF)	Supports MSMEs in obtaining financing. Services include guarantee scheme facility, agri-business loans, equipment leasing, and micro-leasing facility. BDF collaborates with stakeholders to provide business coaching and supports entrepreneurs in developing bankable project proposals.	MINICOM, BDF, RDB, BRD, PSF
YouthConnekt programme	Empowers youth and connects them to the public sector, private sector and civil society for economic opportunities. The programme includes awards for the most innovative youth businesses, training and mentoring, hangouts, and events.	Ministry of Youth and Arts (MOYA), BDF, RDB, PSF
Road Maintenance programme	Contracts youth-led companies to construct and maintain road networks. The objective is to improve the quality of maintained roads while also creating employment opportunities for youth.	MOYA, Ministry of Infrastructure (MININFRA), BDF, RDB, PSF, MINALOC
Youth Eco-Brigade programme	Hire unemployed youth to provide environmental protection services in their communities by forming cooperatives to develop green businesses with their collective savings.	MOYA, Rwanda Cooperative Agency (RCA), PSF
TVET Youth Challenge	Consists of a skill-building bootcamp followed by the awarding of TVET projects to the most innovative youth.	MOYA, MINEDUC, Rwanda TVET Board (RTB), Rwanda Polytechnic (RP), KOICA
Youth Employment Mainstreaming in Agriculture Sector programme (AgriYouth)	Addresses the main challenges faced by youth engaged in the agriculture sector: access to land, financing, and modern skills. Youth are encouraged to form cooperatives and supported with grants and training.	MOYA, Ministry of Agriculture (MINAGRI), BDF, RDB, RCA, PSF

Source: Compiled by Vanguard Economics⁴

4.1.3. Matching

In an effort to bridge the gap between youth skills and labour market demand, the government has implemented various “matching” initiatives designed to provide young job

⁴ Sources: Rwanda Development Board (2018). National Skills Development and Employment Strategy; MOYA (2022). Tracer study for YouthConnekt and iAccelerator Rwanda beneficiaries; UNDP (2023). Annual Report.

seekers with practical work experience and career guidance and connect them with prospective employers as well as entrepreneurship opportunities. The government has collaborated with several key partners to create platforms such as professional internships, employment service centres, and youth-friendly centres (YEGO centres) in order to offer comprehensive support. Table 4 summarises job matching interventions.

Table 4: Job matching interventions

Intervention	Description	Key implementers
National Professional Internship Programme	Equips graduates from higher learning institutions and polytechnics with practical work experience related to their field of study.	RDB, MINEDUC, MINECOFIN, PSF, MOYA
Employment Service Centres (ESCs)	ESC services include job search assistance, job readiness training, and assistance with application processes. ESCs also organise job fairs and informational events, and provide business advisory services. In addition, they implement outreach efforts for job matching such as mobile buses and an online platform—the Kora job portal that links jobseekers with potential employers.	MOYA, MIFOTRA, MINALOC, NYC, City of Kigali, districts
Youth Friendly Centres, commonly known as YEGO centres	Serve as one-stop hubs designed to empower youth by offering access to a wide range of services and opportunities, including sports, entertainment, talent detection, entrepreneurship, vocational training, and information and communications technology (ICT).	MOYA, MIFOTRA, MINALOC, NYC, City of Kigali, districts

Source: Compiled by Vanguard Economics⁵

While several interventions have played a role in enhancing youth employment, implementation gaps remain. For instance, the Skills Development Fund (SDF)⁶ which has benefitted over 18,695 youth (SDF Rwanda, 2025), is hindered by financial constraints that limit its impact on youth employability. Short training durations and insufficient funding for materials leave many youth underprepared. Additionally, there is a disconnect between private sector-led skills development and job creation, with companies not ready to retain graduates due to high onboarding costs and inadequate support. Systemic gaps in access

⁵ Sources: Rwanda Development Board (2018). National Skills Development and Employment Strategy; Rwanda Development Board.

⁶ In 2017, the SDF was established through a financing agreement between the Government of Rwanda and the World Bank with the goal of reducing the skills gap observed by private businesses. The SDF primarily focuses on vocational training, technical skills, and industry-specific training to enhance sectoral employability and productivity.

and inclusion also persist, particularly for rural youth, youth with disabilities, and young women. The next section explores these challenges and how they impact policy effectiveness.

4.2. Cross-cutting YEP implementation challenges

Systemic and programme-specific challenges that affect the three key YEP intervention areas mentioned above continue to impede progress toward interventions having intended outcomes and impacts. This section examines these challenges and their broader implications for youth employment.

4.2.1. Resource allocation and prioritisation

The government's budget allocation to the private sector development and youth employment (PSDYE) sector remains low due to competing development priorities. Over the past six fiscal years, the sector has faced significant budget cuts that have been driven by the economic fallout from COVID-19 and rising inflation (World Bank Group, 2024). The PSDYE sector's share of the national budget decreased from 5% in 2018/19 to 2.8% in 2023/24 (MINECOFIN, 2019-2024), which reflects shifting funding priorities. At a decentralised level, PSDYE funding is even more constrained, with district allocations falling below 1% (MINECOFIN, 2019-2024), including in urban areas that have high job creation potential.

As mentioned earlier, these budget constraints hinder skills development programmes, which rely on the under-resourced Skills Development Fund because they lack public-private financing mechanisms. As a result, apprenticeships are capped at 3–6 months, which leaves trainees ill-prepared for the labour market. Many participants noted this period is too short to develop practical, market-relevant skills in their chosen trades. Resource shortages also compromise vocational training quality, as the Fund does not cover essential training equipment. Additionally, the lack of a clear model for cost-sharing between

public and private institutions further weakens programme effectiveness and efforts to close the skills gap. The quote below provides more insights on budget gaps and their implications.

Quote 1: From a KII with a government agency

The Skills Development Fund has had positive impacts, particularly through apprenticeships, but the financial resources are insufficient to meet the demands of the initiatives, particularly with the scale of interventions needed across the country. The institution relies on partnerships with donors, with the private sector engagement still lacking, which limits program scalability.

Source: Vanguard Economics (2024). Primary data collection, YEP review.

Limited national budget allocations to the PSDYE sector have increased reliance on declining donor funding, which threatens the sustainability of employment initiatives. In 2021/2022, the sector received USD 91.1 million in external public sector disbursements (MINECOFIN, 2023). The 2023–2026 Medium-Term Public Investment Programme (MTPIP) projects that 58.3% of employment funding will come from external sources; 33.3%, from mixed funds; and only 8.3%, from domestic funds (MINECOFIN, 2023).

This dependence on external funding makes YEPs vulnerable to shocks/fluctuations in official development assistance (ODA). For instance, the recent halt of USAID support in 2025 has already disrupted initiatives focused on youth employment and entrepreneurship. To ensure sustainability, the PSDYE sector must explore alternative sources of financing to complement external support.

4.2.2. Monitoring and evaluation systems

The lack of adequate budgeting for M&E is a critical barrier to effective employment programme assessment. The 2023/2024 M&E budget for joint job creation initiatives (*imihigo*) was less than 1% (MINECOFIN, 2023), which severely limits the resources available to track progress and monitor outcomes. This insufficient budget exacerbates challenges such as the informality of progress reporting, which results in inconsistent and incomplete data. For instance, there is a lack of public records for essential assessments of the impact key strategies such as NST-1 and the Private Sector Development and Youth Employment Strategy (PSDYES) have had on youth employability.

Although a joint job creation framework exists, there is limited clarity on how documentation from government and non-government programmes is consolidated to assess their aggregated impact. The absence of robust monitoring frameworks and baseline indicators complicates efforts to track and evaluate these programmes. Without clear frameworks, measuring progress, identifying areas for improvement, and ensuring accountability become challenging. Stakeholders stress the need to strengthen M&E capacity, especially at the decentralised level, to improve monitoring effectiveness. The quote below further illustrates the impact of weak M&E systems.

Quote 1: From a KII with a government ministry

Although we have implemented tracking and monitoring systems, there remains significant work to be done. For instance, we have yet to assess the outcomes or impact of the loans provided to individuals. While we can quantify the amounts disbursed over the past seven years, we have yet to evaluate the actual impact on the community, particularly around job creation. There is room to update our indicators and gather more impactful insights.

Source: Vanguard Economics (2024). Primary data collection, YEP review.

Moreover, a lack of consensus among key stakeholders on the definitions of “decent work” and “types of jobs to create” has led to varying programmatic interpretations, which complicates the monitoring of job creation progress. The stakeholders interviewed for this study emphasised the government must facilitate alignment by convening discussions to harmonise these key concepts. This would help to align programmatic needs with both international and national definitions to ensure consistency in measuring employment programme outcomes.

4.2.3. Private sector buy-in

Current interventions focus primarily on addressing skills mismatch on the labour market’s supply side, with limited attention paid to stimulating demand. Despite various investment and tax incentives, targeted support for startups and MSMEs remains insufficient.

Rwanda has yet to ratify its StartUp Act, which would offer tax incentives like a two-year PAYE employment tax grace period for salaries under RWF 1 million and VAT and corporate tax exemptions (MINICT, 2020). These measures complement a 2022 law offering tax breaks on trading licences for micro and small enterprises. However, more targeted measures for youth-led MSMEs and startups are necessary to reduce operational costs and drive job creation and innovation.

Rwanda's business-friendly environment has attracted significant foreign direct investment (FDI), which brought in USD 496.4 million in 2022 (NISR, 2023). While FDI aids economic growth, its contribution to long-term job creation is limited and accounts for just 1.4% of total employment (NISR, 2023). Domestic small and medium enterprises (SMEs), despite being the backbone of the economy, face fewer fiscal incentives and more regulatory hurdles, which highlights the need for more balanced incentives to boost their contribution to formal job creation.

These challenges contribute to insufficient private sector participation in workplace learning (WPL) initiatives. Despite progress in promoting WPL, companies remain discouraged due to high onboarding and training costs and perceived low returns. This is largely due to the fact Rwanda has a predominantly informal economy (91.9%) (NISR, 2023), where businesses prioritise immediate financial pressures over long-term investments in skills development.

4.2.4. Informal sector

The National Entrepreneurship Development Policy (EDP) emphasises business formalisation but overlooks the critical role the informal sector plays in employment creation, skills development, and innovation. The informal sector comprises 91.9% of businesses (NISR, 2023) and employs 94% of youth (NISR, 2024), which makes it the primary entry point for youth employment. Despite this, the focus on formalisation—which is aimed at enhancing tax revenue and legal frameworks—often imposes burdens on businesses not yet ready for these demands.

The 2023 Integrated Business Enterprise Survey (IBES) shows that 60% of new businesses survive their first year of operation (NISR, 2023). Additionally, survival rates vary significantly by sector, with businesses in the service sector having higher survival rates. Thus, the premature push for formalisation risks stunting the organic growth of the informal sector, which is key to fostering entrepreneurship and sustainable employment. Kenya's approach provides valuable lessons. Kenya recognises its informal sector's contributions by conducting regular surveys, such as its annual economic survey, and supporting sector representation through bodies like the Kenya National Federation of Jua Kali Associations. In contrast, Rwanda's last comprehensive informal sector survey was in 2007, which has resulted in a data gap that limits policy development to better support this vital sector.

4.2.5. Minimum wage

Rwanda has yet to establish modern a minimum wage, which disadvantages youth by limiting fair compensation and decent employment. Its national minimum wage, which has been set at RWF 100 (USD 0.07) per day since 1973, is ineffective in today's economy (Wage indicator, 2024). When it is compared to the minimum wages of regional counterparts such as Kenya (USD 117.72 per month) (Wage indicator, 2024) and Tanzania (USD 55.22 per month) (Wage indicator, 2024), it is clear that Rwanda lags in setting a meaningful wage floor to protect its workers, particularly youth, who are most vulnerable to exploitation.

Moreover, the situation is compounded by weak enforcement of the right to collective bargaining. Rwanda's collective bargaining coverage rate of only 5.7% as at 2019 leaves youth workers further marginalised. This rate is significantly lower than in neighbouring countries like Uganda (15%) and Kenya (24%) (DTDA, 2024). The limited reach of collective bargaining agreements (CBAs) in Rwanda leaves employees including youth to address grievances individually rather than collectively and thereby diminishes their bargaining power to negotiate fair wages and decent working conditions.

While minimum wage does not inherently undermine collective bargaining, it could strengthen and complement it by providing a legal basis for CBAs (ERPNI et al, 2023). A revised minimum wage would help set a fair baseline for all workers, including youth, and create a stronger platform for collective bargaining to foster more equitable labour.

4.2.6. Youth engagement structures

While platforms exist to amplify youth voices in employment policymaking, they often fail to have a meaningful impact at the local level and further exclude vulnerable youth. These platforms include: (i) two youth seats in parliament, (ii) the Ministry of Youth and Arts, (iii) the National Youth Council, and (iv) citizen participation platforms like “*inteko z’abaturage*”⁷ and “*umuganda*,”⁸ where youth have equal participation rights (Never Again Rwanda , 2022).

Despite this, youth awareness of employment programmes remains low, with many unaware of pertinent policy changes such as the shift in the youth age category from 16–35 to 16–30. Vital information on YEPs is accessible primarily to urban youth with digital devices, which leaves rural youth underserved—only 7.3% of rural youth have smartphone access (versus 33.4% of urban youth), and internet access is similarly less accessible in rural areas (NISR, 2022).

Moreover, current policies and strategies also fail to address the specific needs of young women and youth with disabilities. Young women face barriers like social norms, teen pregnancies, and limited post-secondary opportunities. Youth with disabilities remain excluded due to regulations that fall short in driving widespread mindset change on employing PWDs—with few examples of how best to integrate persons with specific disabilities in the workplace.

⁷ Inteko z’abaturage are community meetings that serve as platforms for citizen participation and local governance. They are held at the village level in Rwanda and provide an opportunity for local leaders and residents to discuss community issues, share information, and make collective decisions.

⁸ Umuganda is mandatory monthly community service during which citizens work together on public projects, such as road maintenance in their respective villages, to promote development and unity.

V. Political Economy of Youth Employment Policies

5.1. Overview

The Rwandan political and institutional context is fundamentally defined by the post-Genocide context and the power and reach of the Rwandan state. The country has prioritised stability, governance reforms, and development strategies aimed at reconciliation and inclusive growth. Key initiatives such as universal healthcare, anti-corruption efforts, and home-grown solutions such as “*imihigo*” (performance contracts for government accountability), “*umuganda*” (monthly community service), and “*Agaciro*” (a national dignity and self-reliance fund) have played a crucial role in shaping governance and public service delivery. In particular, the home-grown solutions have been instrumental in driving accountability when it comes to job creation efforts, fostering youth and community participation, and promoting skills development and self-reliance through economic empowerment. Between the Y1 and Y3 reviews, there were no significant shifts in Rwanda’s political economy or youth employment policy landscape. This stability is expected, as policy and systemic changes typically take time to take effect.

However, despite strategies emphasising economic growth, job creation, and poverty reduction—especially by strategically focusing on youth employment—youth continue to face structural inequalities in accessing critical socio-economic resources such as education, healthcare, and employment. These gaps remain heavily influenced by wealth disparities and the rural–urban divide, with the informal sector absorbing most young workers.

5.2. The (in)adequacy of youth employment policies

Rwanda recognises the importance of creating employment opportunities for its growing youth population in order to drive economic development. Without a strategic approach, challenges could arise in connection with job creation, agriculture, food security, infrastructure, and industry. The newly enacted NST-2 aims to create 1.25 million productive

jobs and focuses on youth and women. Employment policies align with the National Youth Policy by integrating youth employment goals into key national programmes and promoting job-focused budgeting across sectors.

Despite policies supporting youth employment, challenges remain in addressing both the supply and demand sides of the market. While education has improved, over 69% of youth (NISR, 2024) enter the workforce with only basic primary education or no formal education, which leaves them ill-equipped for competition and often pushes them into the informal sector or unemployment. Negative perceptions of the informal sector, along with a lack of policy recognition, hinder its potential. Additionally, policies lack sustainable incentives for private sector-driven skills development and entrepreneurship. Though the absence of a minimum wage policy is intended to maintain competitiveness, it results in unfair compensation and limits youth participation in the formal labour market.

Rwandan political leadership has demonstrated commitment to involving youth in governance by appointing young individuals to ministerial and agency leadership roles. However, a 2022 assessment by Never Again Rwanda highlights that despite these efforts, youth remain largely passive in decision-making and policy formulation (Never Again Rwanda , 2022). The report notes that “youth are represented by only 2 legislators in parliament,” with limited capacity to make informed decisions or engage in advocacy (Never Again Rwanda , 2022). Moreover, youth employment policies are often designed at higher levels and implemented locally without adequate youth input, which leads to a disconnect between initiatives and actual needs. This top-down approach, with minimal consultation and transparency, reduces the relevance and effectiveness of youth-focused policies and programmes.

While youth employment policies include provisions for gender equity and social inclusion, disparities persist for vulnerable groups. Women, who are often held back by unpaid care duties and cultural norms, remain underrepresented in education and employment. Additionally, youth with disabilities face significant barriers, with 61% of them being outside the labour force (NISR, 2024) due to a lack of support, assistive devices, and employer awareness. Current policies also fail to incentivise rural job creation, which leaves

rural youth at a disadvantage compared to their urban peers.

Rwanda's regulatory environment has become more supportive of refugee education, employment, and entrepreneurship. In partnership with UNHCR, the government has integrated refugee children into the national education system, and refugees can move freely outside camps to seek employment or self-employment. Refugee identification cards, which are issued by the National Identification Agency, enable refugees to access services including financial resources for entrepreneurship (MINEMA & UNHCR, 2021). However, like Rwandan youth, young refugees face a skills gap that limits their ability to compete in the labour market.

Lastly, gaps in budget allocation for M&E, along with the absence of robust systems, hinder the ability to assess the impact of youth employment policies and implement necessary reforms to achieve the government's long-term employment objectives.

VI. Conclusion

This review builds on Phase I (2021) of a review of the effectiveness and impact of youth employment policies and programmes in Rwanda. Its goal is to inform country-level policy and programmatic support to accelerate job creation while addressing the specific needs of different categories of youth. While there were no significant changes in the youth employment landscape between the Y1 and Y3 reviews—as policy and systemic changes typically take time to take effect—this assessment considers new policy developments, including the transition from the National Strategy for Transformation (NST-1: 2018–2024) to the newly-enacted second National Strategic for Transformation (NST-2: 2024–2029) and the second Private Sector Development and Youth Employment Strategy (PSDYES: 2024–2029) (MINICOM, 2024). An emerging area of policy interest is the growing role of artificial intelligence (AI) and its potential impact on the labour market. The government acknowledges AI's transformative potential and has recognised its implications in both NST-2

and Rwanda's AI Policy (MINICT, 2023). However, there remains a gap when it comes to assessing how AI will shape Rwanda's future of work, particularly its impact on youth employment and skills development.

Although the broader political economy remains largely unchanged. This review adopts a slightly different analytical approach to the subject, as outlined in the following paragraphs.

This study enriches the existing research/literature by providing a more holistic analysis of how policies and labour market conditions interdependently shape youth employment outcomes. It provides a cohesive review that broadens our understanding of the factors that drive youth (un)employment in Rwanda by integrating insights from a variety of areas, such as policy effectiveness, labour supply and demand dynamics, sectoral employment trends, and structural barriers.

Additionally, this study takes a nuanced approach to understanding projected youth population growth by highlighting the urgency of scaling targeted employment programmes. It explores sectors with higher employment elasticity and identifies opportunities to improve youth labour market outcomes. The study also moves beyond a monolithic view and acknowledges the diverse nature of the youth demographic by introducing often-overlooked categories such as out-of-school youth for more explicit employment programme targeting.

Another key focus of this review is the allocation of public resources to youth employment initiatives and budgetary implications for programme sustainability. Finally, this study integrates the youth employment targets set out in the newly enacted NST-2, which ensures its relevance to policymakers and stakeholders. By doing so, it aims to enhance the effectiveness of existing policies and expand efforts to integrate young people in the labour market.

6.1. Key findings and policy implications

The Government of Rwanda has invested considerable resources in developing and

implementing interventions aimed at enhancing skills development, employment promotion and job matching to address the country's youth employment challenge. These investments are deemed crucial for Rwanda's overarching goal of transitioning to a middle-income economy by 2035 and ultimately achieving high-income status by 2050.

These efforts have yielded notable progress in improving youth access to skills development and employment opportunities. The 2018 *Labour Law* reforms, which simplified recruitment and termination processes, have reduced costs for employers (MIFOTRA, 2018). Additionally, some incentives were introduced to encourage investment in workplace learning and subsidise the cost of training lasting 3–6 months in key sectors (MIFOTRA, 2015). As a result, government-led industry training initiatives continue to equip youth with job readiness skills. The 2022 Annual State of Skills Report issued by the Rwanda Development Board indicates that 70% of graduates from these programmes secure employment within months of completing training. The expansion of TVET has proven impactful, with the number of TVET schools increasing from 200 in 2017 to 396 in 2024, which is 95% of the target. TVET graduates now have a higher employment rate than general education graduates (66.6% versus 46.4%, respectively) (NISR, 2024). Moreover, emerging programmes like YouthConnekt play a pivotal role in connecting youth to employment, entrepreneurship, and skills development opportunities, and place special emphasis on women, young persons with disabilities, and refugees.

Despite these achievements, critical gaps remain that hinder the scaling of youth employment opportunities in Rwanda. This study identified five key intervention areas for tackling these challenges and leveraging opportunities to enhance youth employment outcomes. Below are the five most pertinent findings, along with their corresponding recommendations.

i. Resource allocation: The lack of clear government budget commitments for youth employment threatens the long-term sustainability of youth employment initiatives. The PSDYE sector's budget decreased from 5% in 2018/19 to 2.8% in 2023/24, with 58.3% of YEPs dependent on declining donor funding. As is the case for other key sectors (i.e., health, education), for Rwanda to achieve its NST-2 employment target, a spending commitment as

a percentage of the national budget needs to be set. Additionally, stronger private sector involvement is essential to align both foreign and domestic direct investment with NST-2 job creation goals.

ii. Monitoring and evaluation: Inadequate capacity, insufficient resources, and the absence of robust indicators undermine the ability to track the progress of initiatives and generate the evidence necessary for informed policy evaluation and reform. Notably, the 2023/24 budget for joint job creation initiatives (*imihigo*) was less than 1% of the overall budget. To address these gaps, it is imperative that M&E systems be strengthened and resourced at both the national and local levels. This includes improving the quality of indicators to better assess youth employment outcomes and harmonising initiatives to minimise duplication while maximising impact.

iii. Youth engagement: Existing mechanisms fail to create meaningful impact at the local level, which further excludes vulnerable youth. Additionally, access to employment programme information is largely restricted to urban youth who have internet and smartphone access, which deepens the level of inequality. Considering that many youth have feature phones, accessible digital platforms should be leveraged (through youth-targeted surveys) to enhance youth engagement in policy design, dissemination, and evaluation. Moreover, youth employment initiatives must be decentralised to better reach rural communities.

iv. Private sector participation: The fact there are limited incentives and scalable models deters private sector engagement in workplace learning initiatives due to high training costs and uncertainty regarding returns on investment. While Rwanda's business environment favours foreign direct investment, this type of investment contributes only 1.4% of job creation, whereas domestic direct investment, which generates more jobs, receives minimal support and incentives. To foster sustainable private sector participation, policy frameworks must be reviewed and reformed to provide stronger fiscal and non-fiscal incentives that encourage innovative job creation, skilling, and workplace learning.

v. Minimum wage policy: The delay in establishing a modern minimum wage continues to disadvantage youth by limiting their access to fair compensation and suitable employment

environments. The outdated RWF 100 per day minimum wage that was set in 1973 fails to protect workers or support fair employment conditions. Implementing a sectoral minimum wage policy would better align wages with the unique cost structure of each economic sector while ensuring worker protection and fair compensation.

6.2. Research gaps

Assessing this study's findings in the context of the broader research landscape highlights both knowledge and research gaps. The knowledge gaps (see Table 5) reflect limitations in existing frameworks, implementation practices, and understanding of key policy issues, whereas the research gaps (see Table 6) highlight areas where further investigation is needed. Relevant regional and international literature was consulted to benchmark Rwanda's youth employment policies against global best practices and identify contested areas requiring further exploration in an effort to ensure a comprehensive analysis.

The gaps identified are ranked using the traffic light system to indicate their urgency and importance, as follows:

- i. Green: Gaps that are low priority but should still be addressed in the longer term.
- ii. Yellow: Gaps that are of moderate priority and should be investigated soon to address emerging concerns.
- iii. Red: High-priority gaps that require immediate attention and need to be addressed as soon as possible for effective employment policy outcomes and impact.

Table 5: Knowledge gaps identified

Knowledge gap	Rationale	Urgency	Relevant literature
M&E systems			
Lack of systematic evaluation of national policies to understand their effectiveness and impact.	This limits the impact independent assessments have on policy reform and youth employment strategies.	High	Studies on employment policy evaluations in Sub-Saharan Africa highlight challenges posed by decentralised responsibilities limiting accountability and inconsistent M&E at the national level (Charity, et al., 2021). Research highlights that a well-designed M&E system that is supported by adequate resources and continuous capacity building is essential for generating high-quality information (Ba, 2021). Additionally, weak M&E frameworks in resource-constrained landscapes further hinder evidence-based decision-making, which complicates efforts to track progress in a standardised manner (Ravallion, 2020).
Limited M&E expertise and resource allocation in central and local government institutions.	This results in data being inconsistent and inadequate to track sustainable, decent jobs for youth and vulnerable groups.	High	
Identification of effective ways to harmonise systems and indicators for programme outcome tracking in specific employment sectors.	Stakeholder coordination in M&E must improve for cohesive, efficient outcome measurement.	Moderate	Research underscores the importance of standardised and comparable indicators across government entities and effective coordination among stakeholders to ensure efficient outcome measurement and better policy coherence (Mackay, 2007).
Stakeholder engagement/coordination			
Understanding how inter-ministerial and non-governmental partnerships can be effectively leveraged to harmonise youth employment interventions.	This would contribute to minimising duplication, maximizing programme reach for marginalised groups, and exploring coordination approaches to consolidate efforts across employment programmes and share funding.	Low	An ILO study indicates that inter-ministerial and non-governmental partnerships are crucial for resource sharing, policy alignment, and integrated assessments to enhance programme outcomes and maximise the reach and impact of youth employment initiatives (Jochen, et al., 2017).
Understanding how policies are interpreted and adopted by different stakeholders and at different community levels.	There is a need to explore alternative, non-digital dissemination methods to ensure broader reach and more inclusive youth engagement.	Moderate	A United Nations Industrial Development Organisation (UNIDO) study suggests that involving local communities in policy communication and decision-making through participatory approaches strengthens stakeholder buy-in and enhances the effectiveness of policy implementation (UNIDO, 2022).

Source: Vanguard Economics (2024). YEP review.

Table 6: Research gaps identified

Research gap	Rationale	Urgency	Relevant literature
<p>Youth employment and entrepreneurship dynamics</p> <p>There is limited research on the informal sector's impact on / importance in job creation and youth entrepreneurship.</p>	<p>This limits the informal sector's ability to influence policy in order to improve the enabling environment for youth job creation and entrepreneurship.</p>	<p>High</p>	<p>A study by the African Union Development Agency (AUDA) and New Partnership for Africa's Development (NEPAD) highlights the persistent issue of inadequate documentation of the informal sector in Africa, which hinders the collection of crucial data on its economic impact and limits its ability to inform policy decisions (AUDA-NEPAD, 2022) in Africa. The research emphasises the need for data on informal sector employment prospects, working conditions, and business productivity for evidence-based policy reforms.</p>
<p>There is minimal evidence/research about the survival rates (and drivers) of youth-led businesses.</p>	<p>Understanding the factors that influence youth-led MSME survival is crucial to ensure policies sustain employment and drive economic growth.</p>	<p>Low</p>	<p>Research shows that the determinants of financial resources, and therefore performance, of youth-led SMEs are multidimensional and include the size of the firm, age of the firm, industry in which the firm operates, taxation, tangible assets, growth, and overall risk (Alphonsine & Vicente, 2019). This underscores the need for sector-level analysis to diagnose the underlying constraints that drive the low survival rates of youth-led SMEs in Rwanda's priority sectors.</p>
<p>Future of work</p> <p>Assessing the demand for digital and AI skills across sectors, both domestically and regionally, to better align training programmes with market realities.</p>	<p>It is not well understood how current skilling initiatives in Rwanda prepare young people for the future of work in the context of evolving global dynamics and climate change.</p>	<p>Moderate</p>	<p>A study by the Africa Growth Initiative and the Development Policy Research Unit (DPRU) highlights that existing research on the impact of digital adoption largely focuses on advanced economies, with an emphasis on labour market disruptions, such as automation and unemployment (Africa Growth Initiative- DPRU, 2023). However, there remains a significant gap in both the theoretical and empirical work on developing and emerging economies in Africa.</p>

Stakeholder engagement/coordination

There is limited research/evidence about the effectiveness of existing youth policy engagement forums/mechanisms/architecture.

Understanding this gap would make it possible to strengthen existing engagement mechanisms to amplify youth voices in policymaking.

This gap is particularly critical given the continent's high levels of informal employment, which creates unique labour market dynamics that are likely to be affected differently by digitalisation (Africa Growth Initiative-DPRU, 2023).

High Research by Never Again Rwanda (Never Again Rwanda, 2022) highlights the various platforms that are available to amplify youth voices in employment policymaking (special youth seats in the parliament, the National Youth Council, etc.). However, there remains a lack of comprehensive assessment of these platforms' impact on / effectiveness in enhancing meaningful youth participation in policy/programme design, and how the platforms influence policy reforms.

Learning from regional practices

There is a lack of cross-country comparisons, which leads to a narrowed, context-specific focus that overlooks valuable insights from other countries.

This research misses out on other countries' best practices, challenges, and innovative approaches, which could enhance the effectiveness of local interventions.

Moderate The work being carried out by PEP and the Mastercard Foundation is crucial in addressing this gap because it studies seven countries and supports cross-regional learning about the design and implementation of youth employment policies and programmes in these countries. Additionally, there is a significant lack of up-to-date literature on this subject in the East African Community / Sub-Saharan region.

Source: Vanguard Economics (2024). YEP review.

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