1. Country and Sector Background

Rwanda has made remarkable progress since the 1994 genocide. The country’s key challenge going forward is to leverage its recent progress for a much higher development path that will put the country’s long term economic and social aspirations within reach. In spite of the country’s remarkable transition from reconstruction to development, poverty in Rwanda remains widespread.\(^1\) Youth play a critical role in efforts to tackle poverty over the long run. Forty percent of Rwanda’s population is aged between 14 and 35, and this demographic group faces particularly social and economic challenges.\(^2\)

2. Women, in spite of constituting the majority of the population (in Rwanda, the female population outweighs the male by 100 to 88), are particularly disadvantaged in their access to the labor market. The majority of women (57 percent) are not remunerated for their labor, and only 13 percent work in non-farm employment (Rwanda 2005 DHS). For these reasons, adolescent girls and young women, especially those in disadvantaged circumstances, need particular support in their efforts to enter the labor market, through skills training suitable for productive employment. This project creates important livelihood opportunities for adolescent girls and young women through preparing them for entrepreneurship activities, thus contributing to broad-based economic growth.

3. An underlying reason for the disadvantaged position of women is the lower levels of performance and completion of girls at all levels of education, especially secondary education, which a mere 1 percent of girls complete.\(^3\) Secondary school admission in Rwanda is largely based on students’ performance in the primary school-leaving exam in which boys consistently

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\(^1\) 57 percent of the households in general, of which 61 percent are female-headed, in some cases by young girls, live below the poverty line. 37 percent of households suffer extreme poverty.

\(^2\) 28 percent of the country’s population under age 18 is considered vulnerable, and include orphans, child heads of household and children at imminent risk of losing one or both parents due to chronic illnesses. Rwanda 2005 Demographic and Health Survey.

\(^3\) Republic of Rwanda. Demographic and Health Survey, July 2006.
outperform girls. Other reasons for the lower participation of girls in secondary education include: limited places in secondary school (of which there are only 600 in the country compared to 2,432 primary schools); the prevalence of seminary schools, which only admit boys; social practices such as early marriage; and attitudes to the schooling of girls. For these reasons, this project will also support the return to formal education at secondary level.

4. Since the year 2000 the GoR has given increasing attention to addressing social-structural issues such as inequalities linked to gender and poverty. Rwanda’s Vision 2020 prioritizes key areas of reform, with gender considered as a crosscutting element in all sectors of the economy. The National Employment Policy of 2005 recognizes constraints faced by women in accessing employment, such as limited employment opportunities, high unemployment and underemployment levels (especially among youth), low literacy among women (currently 60% compared to 72% for men), the under-representation of women in wage-earning jobs, and insufficient data on the labor market. Specifically, the National Employment Policy promotes employment among youth and women through: (i) the development of formal vocational training or on the job training adapted to the needs of the labor market; (ii) increasing production and productivity in firms and their employment capacities by giving them facilities for investment expansion; (iii) encouraging youth and women to create enterprises in various sectors of the formal economy; and (iv) equal opportunities for young girls and young boys.

2. Objectives

5. The development objectives for the project are to improve employment, incomes and empowerment of targeted disadvantaged adolescent girls and young women (age 15-24 years), in two urban and two rural districts of Rwanda, and to test two integrated models for promoting education, empowerment and employment.

6. To ensure that participants will be able to take advantage of the training and support provided by the project, basic literacy will be required of all participants. To avoid creating an incentive for young women to leave school, eligibility will also be restricted to those who have been out of formal school for at least one year. In order to serve both as a vehicle for vulnerable young women to get out of poverty, as well as to prevent that girls who have not fallen into vulnerability will do so in the absence of adequate programmatic responses, the project will target to both girls who have conditions of vulnerability that limit their economic independence as well as those at risk of developing those conditions in the near future.4 In order to avoid stigmatization against beneficiaries due to vulnerable conditions such as engagement in high-risk occupations (e.g., commercial sex work), HIV status, being single mother, etc, targeting will be geographically focused in the poorest neighborhoods or ‘collines’ around training centers.

3. Rationale for Bank Involvement

7. Adolescent girls and young women, especially those under disadvantaged conditions, need to “catch up” quickly in terms of skill training suitable for productive employment in the short

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4 E.g., pregnancy, no access to land, low asset endowments, engaged in transactional sex, not captured in formal safety nets, etc.
term, and broad-based economic growth in the medium and long term. Given the key roles they play in their households and in Rwandan society in general and partly because of their initial disadvantaged circumstances when compared to their male peers and non-vulnerable children and youth, disadvantaged adolescent girls and young women need additional policy and program efforts to achieve better outcomes. Innovative and effective training programs specifically targeting the promotion of successful entry of girls and young women into productive employment are needed. This project creates important entry points for employment promotion for young adolescent girls and young women through preparing them for income generating activities.

4. Description

8. The project will have three components:
   (a) Vocational skills and support for entrepreneurship;
   (b) Scholarships to resume formal education;
   (c) Project implementation support;

Component 1: Vocational skills and support for entrepreneurship

9. The objective of this component is to provide the necessary skills and support to approximately 2,700 adolescent girls and young women in two urban and two rural districts of Rwanda (proposed are Rulindo, Gicumbi, Gasabo and Kicukiro), to enable them to establish themselves in profitable small enterprises. The interventions will provide them with a set of technical, business and life skills, along with institutional and social support, mentoring and links to credit. The component is built on a public-private partnership and on an integrated and phased approach to bringing disadvantaged adolescent girls into the labor market. Component 1 will account for 77.6% of project costs.

10. Training will provide occupational skills for which demand is anticipated to expand in the future. An assessment undertaken during project preparation identified opportunities for self-employment in a number of areas including: agro-processing (e.g. food processing, honey production, baking, juice processing), clean and sustainable energy, culinary arts, and arts and crafts. Training curricula will stress the development of industry-based technical skills. Life skills training will address crucial gaps to the access of adolescent girls to the labor market in Rwanda. Table 1 provides an overview of the training and support packages to be offered to beneficiaries.

Table 1: Training and support packages for Component 1

<table>
<thead>
<tr>
<th>1. Selection</th>
<th>Selection of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Induction program (2 weeks)</td>
<td>Intensive two-week induction covering: teambuilding, communication, basic literacy and numeracy, and an orientation to the project as a whole and training options.</td>
</tr>
<tr>
<td>3. Training and skills formation (6 months)</td>
<td>Beneficiaries select training area</td>
</tr>
<tr>
<td></td>
<td>Training in technical skills</td>
</tr>
</tbody>
</table>
Training in entrepreneurship and life skills*

Social support*

Cooperative formation for peer support and other services

Cooperative consolidation and registration

Coaching by mentors and/or established entrepreneurs

Social support*

Mentoring in business development plan; product development, link to micro-finance services/ mentoring for obtaining credit; possible mentoring for access to leasing arrangements*

* Life skills: Empowerment, reproductive health; language, communication and presentation skills. Modules will be adapted from curriculum developed by the Education Development Center (EDC) for WDA to the specific needs of young girls and adolescent women in Rwanda.

* Entrepreneurship skills: Financial literacy, organization, leadership, bookkeeping and accounting, business planning and finance, market assessment, role of and means of accessing credit.

* Social support: Oversight and support by project staff, peer group formation and support, and referral to psychosocial services.

11. As the minimum age for cooperative membership in Rwanda is 16, project beneficiaries under Component 1 must be between the ages 16 to 24 at enrollment. Project beneficiaries will receive a daily stipend during the program. This will be 700 RWF / day during the induction and technical and skills formation phases, and 300 RWF/day during the mentoring phase. From this stipend, 200 RWF/day for the duration of phases 3 and 4, will be deposited in a savings mechanism for each individual beneficiary, accessible only on successful competition of the training program.

Component 2: Scholarships for resuming formal education (secondary S1-S3)

12. GoR has recently moved from compulsory Universal Primary Education (UPE) to Universal Basic Education (UBE), under which all children in Rwanda have the right to free primary and junior secondary education (6 plus 3). This transition implies the cohort of girls who dropped out before the new policy will not be catered for. The opportunity for this group to complete grades 7 to 9 will improve their chances of obtaining employment and increasing their incomes.

13. Component 2 will provide scholarships for 120 eligible adolescent girls and young women (30 per project district) aged 15 – 24 years who have dropped out of school, but who now wish to pursue secondary education rather than vocational training. Scholarships will be paid as tuition payments directly to schools on behalf of clearly identified candidates as per process described in Project Implementation Manual. The scholarship program will be administered by the Imbuto Foundation and will account for approximately 14.6% of project costs.

14. The component will adopt a tailored approach to assist beneficiaries to return to formal education for three years. Scholarship recipients will be accommodated by one private school in each district. In those districts without suitable schools, the beneficiaries will be accommodated in a school in a nearby district. In case one private school fails to accommodate all district beneficiaries, the beneficiaries will then be accommodated in more than one school per district. Additional support, including a mentorship program and psychosocial support, will be provided to enable participants to catch up with their peers who have remained in school. One mentor will
be assigned to each of the four schools to support the young women in their studies. Mentors will receive training in psychosocial support, to enable them to identify signs of depression, stress, and trauma among project beneficiaries and refer them for individual counseling as in Component 1. Project beneficiaries in Component 2 will also participate in Imbuto Foundation’s activities to empower and inform young women, such as their annual empowerment camps.

**Component 3: Project Implementation Support**

15. Technical and logistical support will be provided for the MIGEPROF and other partner agencies in the areas of project management, and monitoring and evaluation. The project will be implemented under the Single Project Implementation Unit modality that will be integrated under MIGEPROF. Support for policy and institutionalization of policies for MIGEPROF will also be provided by the project, for mainstreaming the lessons learned by the project into the Ministry’s policy frameworks and strategic plans. Activities to be supported must be identified and planned with the guidance of the Project Steering Committee. Component 3 will account for approximately 7.6% of the project budget.

5. Financing

<table>
<thead>
<tr>
<th>Source</th>
<th>($m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>0</td>
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<tr>
<td>Free-standing Single Purpose Trust Fund</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.7</strong></td>
</tr>
</tbody>
</table>

6. Implementation

16. The distinctive characteristic of this project is its integrated approach to the training, mentoring and support of beneficiaries. To this end, the project will bring together under the leadership of the MIGEPROF, specialized agencies from public, private and civil sectors to provide the wide range of services necessary to implement the project.

17. Local government also has a critical role to play in implementation and coordination. District and sector officials will play an active role in the assessment of beneficiaries, identification of training facilities, formation of cooperatives, and support in accessing local markets.

18. Chart 1 depicts project institutional arrangements.
19. A Project Steering Committee comprised of relevant Ministries (MIGEPROF, MINECOFIN and MINIYOUTH), agencies (WDA, PSF and RCA) and civil society (Imbuto Foundation) will provide oversight. The MIGEPROF will provide overall leadership, management and coordination through an integrated Single Project Implementation Unit (SPIU) to be integrated into the Ministry.

20. Key institutions to be involved in project management include:

(a) **Imbuto Foundation**: MIGEPROF in partnership with Imbuto Foundation will execute Component 2 of the project.

(b) **Workforce Development Authority (WDA)**: MIGEPROF in partnership with WDA will execute Component 1 of the project.

(c) **Psychosocial service provider (contractor)**: A specialist Rwandan organization will be selected to provide support to project beneficiaries.

7. Sustainability
Institutional sustainability
21. In addressing gender inequality, the project is aligned with Rwanda’s Vision 2020. The program also supports key areas addressed by the National Employment Policy by recognizing constraints faced by women in accessing employment; promoting employment through vocational training; encouraging youth and women to start their own businesses; and promoting gender equality in access to training opportunities. The project is also fully aligned with the Rwanda EDPRS, by promoting developing skills and capacity for productive employment, and with the Cooperatives Policy, through the grouping of beneficiaries into cooperatives and linking them with the mandated institutional framework, including micro-credit schemes.

22. The close alignment of project design with all the above mentioned National Policies enhances prospects for sustainability, while the mechanisms established for monitoring and evaluation will help to guide future development of youth, gender and employment policies.

Technical sustainability.
29. The project draws upon the experience of other countries in promoting skills development for young women. Dissemination of the results of the impact evaluation to key stakeholders in Rwanda will ensure that its technical lessons are learned and integrated into future programs for the economic empowerment of adolescent girls and young women.

8. Lessons Learned from Past Operations in the Country/Sector
30. The Economic Empowerment of Adolescent Girls and Young Women in Rwanda has been benefited from early lessons learned in other AGI projects currently implemented in the Africa region, as well as from programmatic experiences in the area of economic empowerment of adolescent girls and young women in Rwanda and elsewhere. The main lessons that have been incorporated into the project include:

(a) the introduction of specific systems into the project design that address the key vulnerabilities of young women which prevent them from joining the labor market in the first place; and
(b) the provision of links with the banking sector for accessing start-up resources and the alignment of the project design with the Government’s policies for gender and youth employment promotion.

31. The project has greatly benefitted from the experience gathered by the Nike Foundation and the Population Council in the design and implementation of programmatic responses for the economic empowerment of adolescent girls and young women, which have proven more effective when technical training activities are paired with other activities that reduce beneficiaries’ vulnerabilities to aspects that prevent them from joining the labor force in the very first place. For these reasons, the project design integrates services beyond the provision of technical training, such as the provision of social support and positive role models for beneficiaries; the development of gender friendly curricula; the creation of safe, gender friendly
technical training spaces and the introduction of peer support through the formation of cooperatives.

32. Following recommendations of the Project Peer Reviewers at PCN stage based on youth employment and DDR projects in Rwanda, Sierra Leone and other countries, the project incorporated the fostering of a relationship between beneficiaries and micro-credit organizations in order to give them access for start-up capital, instead of providing them with start-up kits.

33. Finally, the project design has been fully aligned with the Government policies for gender and youth employment promotion by incorporating lessons from previous policies implemented in the country, promoting the creation of production cooperatives and supporting the establishment of technical training centers in underserved but priority areas of the country.

9. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[ ]</td>
<td>[ X ]</td>
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<td>Natural Habitats (OP/BP 4.04)</td>
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<td>Pest Management (OP 4.09)</td>
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<td>Indigenous Peoples (OP/BP 4.10)</td>
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<td>Physical Cultural Resources (OP/BP 4.11)</td>
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<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
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<td>Forests (OP/BP 4.36)</td>
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<td>Safety of Dams (OP/BP 4.37)</td>
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<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
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<tr>
<td>Projects in Disputed Areas (OP/BP 7.60)*</td>
<td>[ ]</td>
<td>[ X ]</td>
</tr>
</tbody>
</table>

10. List of Factual Technical Documents

(a) Adolescent Girls and Young Women Vulnerability and Labor Market Assessment
(b) Impact Evaluation Plan
(c) Financial Management Capacity Assessment
(d) Procurement Capacity Assessment
(e) Project Procurement Plan
(f) Draft Project Implementation Plan
(g) Draft Grant Agreement
(h) Draft Disbursement Letter

11. Contact point
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    Tel: (254-20)322 6018 or 5368-6018
    Fax: 5368-6380

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas
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