1. Key development issues and rationale for Bank involvement

Key development issues

GoR has long recognized the importance of an appropriate skills base for structural and sustainable economic development, but its focus on addressing skills development with a comprehensive, cross-sector approach is fairly recent. It is currently developing a Human Capital and Skills Development Strategy (HCSDS) for the period 2010-2025. The HCSDS is expected to guide GoR actions designed to address current and future skills constraints in an effective and structural manner. The HCSDS is considered to be complementary to the GoR’s plans for addressing the other key constraint to economic growth, weak infrastructure, which are described in the recent document ‘Strategic Investments to Promote Exports and Services in Rwanda’.

Considering that skills development is a cross-sector issue that affects almost every aspect of the economy and the public sector, the development of the HCSDS is also expected to clarify the responsibilities of the various public (and private) actors in the area of skills development, as well as determine an appropriate coordination mechanism between them. Current key public stakeholders are the Ministry of Public Service and Labor (MIFOTRA) and the Rwanda Development Board (RDB), which play leading roles in the development of the HCSDS. The Ministry of Education (MINEDUC), with a mandate that includes TVET as well as STI, will play a key role in the implementation of the Strategy.

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1 MINECOFIN, March 2010.
MINEDUC’s activities are guided by the Education Sector Strategic Plan and various sub-sector strategies and policies, such as the TVET Policy and STI Policy (See Annex III). In addition, MINEDUC will develop a costed post-basic education and training strategy which will link and address challenges in all post-basic education segments (upper-secondary, TVET, and higher education) in a comprehensive manner. The core ministry, which has small staff numbers, is supported by various agencies responsible for implementing various aspects of MINEDUC’s mandate, such as the Workforce Development Authority (TVET) and the National Curriculum Development Council.

Considering the cross-sector nature of skills development, Project preparation will involve representatives from various public institutions and close coordination with private sector representatives. The GoR project preparation team currently consists of various representatives from MINEDUC, as well as the WDA, as well as from the President’s Office and the Rwanda Development Board.

Rationale for Bank involvement

As highlighted in the HCSDS, current skills constraints are impeding economic progress, and at the same time addressing Rwanda’s fundamental human capital constraints requires a long-term programmatic approach, with well-coordinated and phased interventions. GoR’s actions on the short to medium term should therefore comprise both (a) interventions which address current constraints and have a high probability of yielding visible results over the short term, and (b) continue improving the overall skills development framework by carrying out those interventions that comprise the ‘next step’ in a longer series of sequenced interventions to build a sound and market responsive skills development mechanism.

The Project will address current skills constraints by interventions that have a high probability of yielding visible results over the short/medium term. Short to medium impact can by definition only be achieved through the provision of short to medium term training (Component 1). To ensure a maximum impact of the training on the availability of adequately skilled labor on the medium term, it should be provided in well-targeted areas where skills constraints are seriously impeding growth, and to a well-targeted group of individuals who are sufficiently able to absorb the contents of the training. The training will likely focus on strengthening technical and vocational skills but can also include the acquisition of catalytic and/or cognitive skills, depending on an assessment of the most urgent immediate skills constraints. While the training will provide the desired short/medium impact, the caveat is that the training’s outcomes will not be optimal, for two reasons: (i) the training will be provided without the adequate institutional framework for (TVET) training being in place, which means it is difficult to guarantee the quality of the training; and (ii) the training will be provided to individuals who will likely only have a limited capacity to absorb the contents of the training, due to their insufficient basis of knowledge and skills. In other words, both the ‘raw inputs’ (the
trainees) and the ‘process’ (the training) will have limitations that will affect the ‘output’ (the skills acquired by the individuals who benefitted from the training). The systemic changes to the education and training system that the project will support aim to address these limitations (see below). The experiences and results of the training that will be provided through this project will provide guidance for the design and implementation of the necessary systemic changes.

The project will support systemic changes that aim to reduce future skills constraints and prevent that Rwanda will repeatedly find itself developing rapid response strategies to meet short term skills needs. In particular, the project will support the acquisition of catalytic skills through general education (component 2), the development of a demand-responsive TVET mechanism which is well-integrated in the education and training system (component 3), and the strengthening of the framework through which science, technology and innovation accelerate the transition to a knowledge based economy (component 4).

2. Proposed objective(s)

In alignment with the Government’s Human Capital and Skills Development Strategy, the project will alleviate current and longer term skills constraints to contribute to Rwanda’s transition to a lower-middle income, export- and service-oriented knowledge economy by 2020.

Specifically, the Project Development Objectives are to (i) equip workers with improved skills by providing short-term training in priority areas; (ii) improve the capacity of the education and training system to equip students and workers with appropriate and market-relevant technical and catalytic skills; and (iii) strengthen the institutional framework through which science, technology and innovation accelerate the transition to a knowledge based economy.

3. Preliminary description

Component 1: Development of a demand-responsive TVET system. TVET graduates are generally reported as lacking applicable and relevant skills and, as a result, employability. In addition, TVET is an isolated and unvalued sub-sector. Weak private sector involvement in the definition of standards contributes to its low relevance and attractiveness. For further expansion of the TVET system to have an optimal impact, the quality and relevance of TVET must be improved. The project will support the transition to a high-quality, demand-responsive TVET system that equips pre-service and in-service graduates with more market relevant skills and improved economic opportunities in a cost-efficient manner. The project will focus on establishing the key elements of a high-quality TVET framework in a select number of areas that are essential to Rwanda’s economic development (e.g. hospitality, plumbing, or ICT maintenance). With this approach it will build public and private sector capacity in all essential
elements of TVET reform and will create ‘showcase’ areas to act as an example and catalyst for reforms in other areas.

**Component 2: Skills Development Fund**

Skills Development Fund (SDF) is a proven mechanism for providing financing for training provision. With its potential to generate quick results and to well-target its interventions, the SDF will meet the government’s needs of addressing current priority skills constraints through a competitive grant-based mechanism. In addition, the financing that is made available through the SDF is expected to catalyze the development of a more vibrant and relevant (private) training provision sector. By testing various approaches to training financing and provision, and combining this with a strong monitoring and evaluation system, experiences gained through the SDF will also contribute to the development of a relevant and efficient institutional framework for training. Through designing several windows for the SDF, the fund will be able to target various beneficiaries and priorities at the same time, with an approach that is aligned with their respective capacity and context. The SDF will provide financing to private and public training institutions and to trainees; it will target TVET priority areas such as construction and ICT, and will also include areas such as entrepreneurship; it will particularly focus on establishing closer links between training providers and the private sector; and will comprise the provision of technical assistance to (potential) training providers and private sector representatives.

**Component 3: The acquisition of catalytic skills through general education.** Pedagogical reforms to improve catalytic skills implemented worldwide have emphasized three main ideas: (i) more emphasis on procedural knowledge (know-how) than declarative knowledge (“knowing about specific topics”), (ii) expansion of course offerings (wide range of interdisciplinary studies) to maximize student potential and limit early specialization; (iii) more emphasis on teaching “learning knowledge” rather than subject-related knowledge (about classroom management, pedagogy, and evaluation and the school as a learning and knowledge producing institution). This has translated in interventions mostly focused on reforming curricula and teacher training with the aim to promote students-centered learning and teaching. The project will focus on reforming teacher training rather than curricula reforms, because (i) substantial pedagogical reforms have been recently implemented (double-shifting, English as medium of instruction, reduction of core subjects, decentralized textbook procurement) and any further profound change at this stage may bring confusion; and (ii) basic education curricula have been substantially revised between 2003 and 2009, and seem to provide a good basis as they already introduce elements of student-centered learning. The project will therefore focus on teachers, whose exposure to delivering student-centered teaching is negligible. Indeed, as highlighted by the CSR teachers are unlikely to provide individualized attention to students or to promote a learning environment where students are encouraged to be inquisitive and be active participants in the learning process. While large class sizes may contribute to the low development of

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2 A curriculum review will take place during project preparation.
student-centered learning environment, the lack of adequate training is often cited as the main explanation.

**Component 4: Strengthening capacity for the implementation of the STI Policy.** MINEDUC recently received the mandate for ensuring the implementation of the STI Policy. A broad implementation framework and sequenced actions plans have been developed, but to date no further progress has been made toward ensuring its actual implementation, partly due to staffing constraints in MINEDUC. The project will provide technical assistance to MINEDUC’s DG STI and other key stakeholder to make further progress toward implementing the STI Policy. The concrete activities that will be carried out under this component depend partly on the steps that DG STI can undertake before this project reaches effectiveness. The project will support the development and/or refinement of the overall implementation framework of the Policy, in particular of those aspects relating to the future competitive grant-based mechanism through which public and private sector actors will receive funding for the acquisition, generation and/or dissemination of STI related knowledge and skills.

**4. Safeguard policies that might apply**

OP 4.01 Environment Assessment  
OP 4.12 Involuntary Resettlement

**5. Tentative financing**

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<td><strong>Total</strong></td>
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**6. Contact point**

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