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never again

— Rwanda —

POLICY BRIEF

ENHANCING EMPLOYER INCENTIVES AND SME PARTICIPATION IN WORKPLACE LEARNING (WPL) IN RWANDA

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1. Context and Rationale

Rwanda's economic development and human-capital agenda rely heavily on effective WPL, yet SMEs the backbone of the private sector remain underrepresented in WPL initiatives. National policies such as the Workplace Learning Policy (2019), the National Employment Policy (2021), and the revised TVET Policy (2015/2021) emphasize private-sector engagement as essential for demand-driven skills development. Without stronger SME participation, the country risks failing to achieve national WPL targets outlined in Vision 2050 and NESS 2024-2029.

SMEs dominate Rwanda's private sector, accounting for approximately 90% of all businesses and employing the majority of the working population (MINICOM, 2020). Small and Medium Enterprises (SMEs) are particularly well-positioned to expand training in priority sectors, including construction, manufacturing, and hospitality, while providing opportunities for women, youth, and low-skilled workers. Enhancing employer engagement is therefore central to improving employability, productivity, and inclusive growth.[1]

Currently, WPL implementation in Rwanda faces several limitations that hinder SME involvement. Many employers are not adequately incentivized to host trainees, limiting the expansion of training slots in key sectors. Employers are often excluded from the design of training programs, reducing the relevance of skills delivered relative to labor-market needs.[2] SMEs, which employ large numbers of youth and women, often encounter high supervision costs and opportunity costs, further discouraging participation.[3] These challenges, contribute to a supply-driven model that fails to produce job-ready graduates.

2. Policy Problem Statement

Employer participation in WPL remains low due to multiple structural barriers. The absence of a structured incentive package increases the costs and risks associated with hosting trainees. Limited visibility and recognition for firms contributing to national skills development reduce motivation, while high supervision and opportunity costs particularly affect SMEs with tight production schedules. In addition, fragmented coordination between TVET institutions and industry leads to inconsistent placement opportunities, misaligned training content, and weak mentorship. These gaps undermine the effectiveness of WPL in producing a skilled, employable workforce.

3. Purpose of the Policy Brief

This policy brief aims to provide actionable recommendations to enhance employer incentives, increase SME participation, and strengthen industry engagement in Workplace Learning (WPL) across Rwanda. It outlines strategies to reduce barriers, improve the relevance and quality of training, and ensure equitable and productive participation in skills development programs. By fostering stronger collaboration between government institutions, the private sector, and development partners, the brief seeks to promote demand-driven, industry-aligned, and inclusive WPL that contributes directly to Rwanda's Vision 2050 human-capital objectives.

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[1] UNDP Rwanda: Unlocking Rwanda's entrepreneurial potential. https://shorturl.at/WeCUJ

[2] World bank. https://shorturl.at/OroJ8

[3] Pathways to work: Work Experience and Work-Based Learning. https://shorturl.at/lLFBC

4. Policy Implications and Actionable Recommendations

To increase SME engagement in WPL, it is essential to implement fiscal and financial incentives. Tax credits or deductions should be offered to employers hosting accredited trainees, while SME Training Support Grants can cover mentor time, equipment, and supervisory costs. Subsidized insurance coverage for trainees can reduce employer liability concerns. In addition, recognition and reward mechanisms such as a National Employer Recognition and WPL Excellence Awards Program and an annual WPL Employer Index can enhance visibility and encourage consistent participation.

Administrative burdens should be reduced through the digitization of placement processes via a national WPL coordination platform that facilitates seamless matching, reporting, and certification. Standardized Memoranda of Understanding (MoUs) can minimize paperwork and negotiation time. Strengthening industry partnerships is also critical: co-developing sector-based WPL models with PSF, chambers, and cooperatives, and expanding local TVET-industry collaborations, will ensure regular engagement, workplace audits, and joint curriculum updates.

Government institutions, including MINEDUC, MIFOTRA, and MINICOM, should lead the development of a national employer incentive framework, operationalize the digital coordination platform, and monitor SME participation through annual reporting. The private sector, including PSF, sector associations, and enterprises, should co-design sector-specific WPL models, provide mentorship and industry-standard training environments, and actively engage in recognition programs.

The TVET institutions and RTB should strengthen industry engagement units, support SMEs with training materials, assessment tools, and supervision. CSOs and development partners should provide technical assistance for digital systems, facilitate employer grants, and support advocacy, awareness campaigns, and SME capacity building.

5. Expected Impact

If implemented, these reforms are expected to increase SME participation, expand training placements, and strengthen industry-led skills development. Improved alignment between training programs and labor-market needs will enhance graduate employability and increase transitions into decent jobs or entrepreneurship. Enhanced supervision quality and mentorship, especially in priority growth sectors, will improve training outcomes and inclusivity for women, youth, and vulnerable learners. Collectively, these reforms will contribute toward achieving NESS 2024–2029 targets, the NST2, and Vision 2050 human-capital priorities.

6. Target and Responsible Institutions

Lead institutions:

- **Ministry of Education (MINEDUC):** Develop and operationalize WLP coordination platform which and oversee the integration of WPL in the TVET curriculum.
- **Ministry of Public Service and Labor (MIFOTRA):** Should align WPL initiative with national employment strategies and supervises employer's implementation of WPL.
- **Ministry of Trade and Industry (MINICOM):** Facilitate partnerships between employers and TVET.

Co-leads:

- **Private Sector Federation (PSF)**: Should mobilize SMEs to participate in the WPL.
- **Rwanda TVET Board (RTB):** Should provide technical assistance on curriculum update and workplace standards.

Supporting actors:

- **TVET institutions:** Implement WPL placement and supervise trainees
- **CSOs and development partners:** Provide technical assistance, advocacy, and SMEs capacity building.

7. Conclusion

Enhancing employer incentives and SME participation in WPL is critical to Rwanda's human-capital development and labor-market outcomes. Fiscal and financial incentives, recognition programs, digitized administrative processes, and stronger industry partnerships will increase SME engagement, improve training relevance, and expand opportunities for women, youth, and vulnerable groups. Collaborative implementation by government, private sector, and development partners will ensure a more inclusive, productive, and market-aligned WPL system, supporting Rwanda's broader economic transformation under Vision 2050, NESS, and NST2.9.

8. References

- Ministry of Education (MINEDUC). Workplace Learning Policy, 2019.
- Ministry of Public Service and Labour (MIROTRA). National Employment Policy, 2021.
- Ministry of Education. TVET Policy (2015; Revised 2021).
- Government of Rwanda. Vision 2050.
- MINICOM. SME Development Policy, 2020.