POLICY BRIEF

UNSUSTAINABLE FINANCING AND EMPLOYER INCENTIVES FOR STRENGTHENING WORKPLACE LEARNING (WPL) IN RWANDA

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Supported by:

NEVER AGAIN RWANDA

2025

I. Context and Rationale

Rwanda is at a pivotal moment as it transitions from vision 2020 to 2050, with a clear ambition to secure higher living standards and improved well-being for its population. This shift underscores the critical need to invest in developing a dynamic, future ready workforce capable of meeting the growing demand of skilled labor. Skills development and employment promotion are central to Rwanda's transformative vision, aiming to become an upper-middle income country by 2035, and ultimately a high-income country by 2050.[1]

Workplace Learning (WPL) remains a cornerstone of Rwanda's skills development agenda. National frameworks notably the Workplace Learning Policy (2015), NESS 2024–2029, NST2 2024-2029, and Vision 2050 underscore the need for demand-driven training, stronger collaboration with the private sector, and inclusive pathways that link youth to employment.[2]

Despite the Workplace Learning Policy emphasis, financing for WPL has not kept pace with its ambitions. Funding streams remain inconsistent and fragmented. Government budget allocations fluctuate and do not adequately cover the real costs of WPL. At the same time, host employers shoulder significant responsibilities without sufficient incentives especially small and medium-sized enterprises, which often lack the resources to meet supervision, insurance, equipment, and trainee support costs.[3] These financial constraints slow down the expansion of apprenticeship and internship opportunities, weaken the quality of training, and limit the participation of private-sector actors.

As a result, national targets under NESS 2025-2029 and NST2 2024-2029 risk being undermined. To realize the country's human capital aspirations, WPL requires a more stable and predictable financing model supported by deliberate fiscal incentives. While NSDEPS and NST2 envision financing and employer incentive reforms, success hinges on quality training, strong coordination, and inclusive incentives. If effectively implemented, these strategies build a skilled, industry ready workforce, fueling the transformation envisaged under Vision 2050[4].

AJPRODHO JIJUKIRWA's 2025 Assessment on the implementation of the Work place learning policy revealed that only 16% of 446 companies surveyed had a formal workplace learning program in place. Additionally, 91% of employees reported not receiving any structured training aligned with WPL requirements. These gaps were largely attributed to insufficient financial support, supervision costs, and capacity limitations , particularly among Small and Medium Enterprises (SMEs).[5]

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[1] National Skills development and employment promotion strategy 2019-2024

[2] Workplace learning policy 2015, recent TVET/skills-development Reforms, PSGYE, Economic Update, NST2/Vision2050 alignment with National Policy on Workplace Learning to prepare Rwandan Youth for employment(Workplace Learning Policy),July 2015

[3] AJPRODHO-JIJUKIRWA, (2025) Performance Assessment report on WPL Policy: only 16% firms with WPL programs; 91% of employees untrained; SMEs lack funding/supervision capacity,2025

[4] primature.gov.rw+2rtb.gov.rw+2

[5] Assessment of WPL implementation, AJPRODHO,2025.

Recent reviews of TVET and skills governance further reveal inadequate monitoring systems, a lack of standardized financing indicators, and limited budget allocations specifically earmarked for workplace learning (World Bank, 2024a; World Bank, 2024b).

In 2025, the Government of Rwanda and key stakeholders launched a national technical committee to strengthen coordination and financing of WPL, acknowledging persistent systemic gaps in infrastructure, funding models, and incentive structures (AJPRODHO assessment on WPL, 2025). However, the availability of comprehensive, multi-year national data on WPL financing and the uptake of incentives remains limited due to challenges of data accessibility.

2. Policy Problem Statement

Rwanda lacks a long-term and consolidated financing mechanism capable of sustaining the full implementation of WPL. Employers particularly SMEs carry a substantial portion of the financial burden associated with hosting trainees. These challenges create disparities in access, reduce training quality, and undermine policy commitments to equitable and demanded skills development. Without cost-sharing mechanisms or fiscal incentives, many businesses will continue to struggle to participate consistently, limiting national coverage and quality.[6]

3. Purpose of the Policy Brief

This policy brief aims to highlight the financing gaps affecting Workplace Learning (WPL) in Rwanda and to inform policymakers and institutional partners about the need for sustainable, long-term financing mechanisms and employer support incentive schemes. It emphasizes how well-designed funding frameworks can strengthen and expand WPL implementation under the National Employment and Skills Strategy (NESS) 2024-2029, while also demonstrating how coherent financing approaches can stimulate employment creation and increase private-sector engagement in skills development[7].

4. Policy Implications and Actionable Recommendations

To strengthen Rwanda’s Workplace Learning (WPL) system and ensure its long-term impact, several strategic measures should be considered as follows:

a. Establishing a National Workplace Learning Fund would provide a stable, multi-year financing mechanism. This fund could draw on government budget allocations, contributions from the private sector through levies or voluntary support and investments from development partners. By financing placement costs, training equipment, coordination, mentor development, monitoring systems, and tracer studies, such a fund would address current gaps and enhance the quality and scale of workplace-based learning.
b. Introducing targeted employer incentives would help reduce the financial burden on host organizations, particularly small and medium-sized enterprises. Measures such as tax credits for firms hosting trainees, wage subsidies for SMEs, and matching grants for equipment upgrades and workplace safety improvements would make participation more attractive.

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[6] Rwanda Economic Update: Investing in skills Development can spur Rwanda’s private sector growth and economic transformation, World Bank Group, publication September,17,2024
[7] the Decent Work Country Programme (DWCP 2024–2029)

c. Establishing a dedicated WPL budget line within MIFOTRA, the Rwanda TVET Board (RTB) or district budgets and performance contracts to promote a more decentralized and sustainable WPL systems with predictable and stable annual funding nationwide. Such an allocation would support essential activities including mentorship, coordination, trainee induction, mentor certification programs, and targeted assistance for vulnerable trainees. A formal budget line would reduce reliance on ad-hoc funding and enable long-term planning and program sustainability.
d. Explore public–private co-financing partnerships to expand investment in WPL. Joint investment in sector-based training hubs, innovation funds linked to priority economic sectors, and shared procurement of equipment for apprenticeships would maximize resources and leverage the expertise of both sectors. International experience shows that such co-financing arrangements increase efficiency and align well with Rwanda's broader economic transformation agenda8.
e. Improving WPL infrastructure and technological support is critical to delivering high-quality training across the country. Providing equipment grants to TVET institutions and SMEs, deploying mobile training units to underserved districts, and investing in digital reporting systems for coordination and monitoring would enhance efficiency, transparency, and national coverage.

Together, these measures would create a more inclusive, effective, and sustainable WPL ecosystem, capable of preparing a skilled, job-ready workforce that meets the evolving needs of Rwanda's economy.

5. Expected Impact and Actionable Recommendations.

Adopting these financing reforms will create a more robust and sustainable Workplace Learning system in Rwanda by:

a. Ensuring consistent funding and targeted incentives, the country can expand high-quality placement opportunities nationwide and strengthen collaboration between public institutions and the private sector.
b. Enhancing the capacity of employers to host and mentor trainees effectively, while reducing dependence on short-term, donor-funded interventions. Importantly, they will improve access to WPL for women, rural youth, and persons with disabilities, promoting a more inclusive skills development landscape.
c. Collectively, these reforms will support the achievement of the goals outlined in NESS 2024-2029, NST2 2024-2029, and contribute directly to Rwanda's broader human-capital and economic aspirations under Vision 2050.

6. Target Institutions and Roles

The effective implementation of Workplace Learning (WPL) in Rwanda depends on the clear assignment of roles and responsibilities across key institutions.

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[8] The OECD argues that such cost-sharing or co-financing models reduce the barrier for firms (especially SMEs) to offer training, thus widening the reach of vocational training systems. OECD (2023), Building Future-Ready Vocational Education and Training Systems, OECD Reviews of Vocational Education and Training, OECD Publishing, Paris, https://doi.org/10.1787/28551a79-en.

a. MIFOTRA will lead the coordination of the WPL policy and the financing framework, including the establishment and management of the WPL Fund.
b. MINEDUC will provide oversight to ensure alignment with TVET and higher education programs, while the Rwanda TVET Board (RTB) will handle technical implementation, supervision, and quality assurance of training programs.
c. MINECOFIN will play a critical role in integrating WPL into national budgets, designing the incentive framework, and ensuring the sustainability of financing.
d. Private Sector Federation (PSF) will mobilize private sector engagement, encouraging businesses to participate actively in training programs.
e. MINALOC will coordinate WPL activities at the local level, and oversee implementation across districts, ensuring that national strategies translate effectively into local action.
f. All 30 Districts will ensure that a dedicated WPL fund is allocated and fully mainstreamed into district budgets and performance contracts every fiscal year. This commitment will help guarantee that the workplace learning (**Igira Ku Murimo**) Programme is effective, accessible, affordable and inclusive reaching learners at cell level.
g. Together, these institutions form a collaborative network that underpins a robust and inclusive WPL system.

7. Conclusion

For Rwanda to fully harness the power of Workplace Learning as a driver of skills development and inclusive employment, it needs a stable financing architecture backed by targeted employer incentives. Establishing a national WPL Fund, introducing tax and grant incentives, and strengthening cost-sharing partnerships will help secure long-term sustainability, raise training quality, and improve national coverage. These reforms are essential to support Rwanda's human capital goals and broader transformation agenda.

8. References

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