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Sida Decentralised Evaluation

Sarah Gray
Charles Twesigye-Bakwatsa
David Muganwa
Marcienne Umubyeyi

Mid-Term Evaluation of the National Employment Programme, Rwanda

Final Report

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Authors: Sarah Gray, Charles Twesigye-Bakwatsa, David Muganwa and Marcienne Umubyeyi

The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: SE-105 25 Stockholm, Sweden. Office: Valhallavägen 199, Stockholm

Telephone: +46 (0)8-698 50 00. Telefax: +46 (0)8-20 88 64

E-mail: info@sida.se. Homepage: <http://www.sida.se>

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Abbreviations and Acronyms

BDA	Business Development Advisor
BDEU	Business Development Employment Unit
BDF	Business Development Fund
EDPRS	The Economic Development and Poverty Reduction Strategy
EICV 2,3,4	Integrated Household Living Conditions Survey (Enquête Intégrale sur les Conditions de Vie des ménages)
FGD GoR	Focus Group Discussion Government of Rwanda
IBT	Industrial Based Training
ICPC	Integrated Craft Production Centre
ILO	International Labour Organisation
IPRC	Integrated Polytechnic Regional Centre
LODA	Local Administrative Centre Development Centre
M&E	Monitoring and Evaluation
MIFOTRA	Ministry of Public Service and Labour
MIGEPROF	Ministry of Gender and Family Promotion
MINEACOM	Ministry of Trade, Industry, and East African Community Affairs
MINECOFIN	Ministry of Finance and Economic Planning
MSME	Micro Small and Medium Enterprises
MVT	Massive Vocational Training
MYICT	Ministry of Youth and Information and Communication Technology
NCBS	National Capacity Building Secretariat
NCPD	National Council for People with Disabilities
NEP	National Employment Programme
NISR	National Institute of Statistics Rwanda
RBD	Regional Development Board
RRT	Rapid Response Training
SACCO	Savings and Credit Cooperative
Sida	Swedish International Development Cooperation Agency
TVET	Technical and Vocational Education and Training
WDA	Workforce Development Agency

Preface

This evaluation was contracted by Sida through the Framework Agreement for Evaluation Services and conducted by FCG SIPU International AB.

The evaluation team consisted of the Team Leader Sarah Gray and key experts Charles Twesigye-Bakwatsa, David Muganwa and Marcienne Umubyeyi. The draft report was reviewed by Eva Lithman and the project manager was Christian Carlbaum within the Evaluation Unit at SIPU.

The findings of the report are entirely the responsibility of the team and cannot be taken as expression of official Sida policies or viewpoints.

Acknowledgements

In the course of this evaluation we have had the privilege of interacting with a number of persons who have generously given their time and interest. The Evaluation Team would like to express its thanks to NEP for all assistance received.

Executive Summary

The Government of Rwanda's (GoR's) commitment to poverty reduction is reflected in its long-term strategy, the Vision 2020 and the Economic Development and Poverty Reduction Strategy 2 (EDPRS 2) medium-term framework. The overarching goal of the GoR is to achieve sustainable and equitable economic growth. The GoR and its development partners identified a low level of skills and low labour productivity, as a key hindrance to economic growth, as it stifles private sector growth and competitiveness in all sectors. A major factor contributing to youth underemployment is skills mismatch and limited job growth and expansion compared to population growth.

According to the Integrated Household Living Conditions Survey (EICV 4 2013/14), Rwanda is experiencing fast social, demographic and economic transformation. Since 2000 it has recorded an average 8% annual growth in GDP, mainly driven by agriculture and services. Vision 2020 aims for half of the Rwandan workforce to be working off-farm by 2020, up from 28.4% in 2011. The strategy to reduce the population employed in the agricultural sector was informed by the shortage of available arable land and the persistent reports (from EICV2, 3 and 4) that the poorest people were likely to be employed on-farm and unskilled. The government has committed to developing relevant skills, particularly for youth and women and to undertaking educational reforms to increase the alignment of training to labour market needs.

The EDPRS 2 underscores Rwanda's development objective of providing off-farm jobs to 50% of the workforce by 2020. The majority of Rwandans are employed in traditional agriculture, a sector marked by the lowest wages and lowest labour productivity relative to industry and services. The assessment of EDPRS 1 revealed that nonfarm workers are five times more productive than farmworkers and are 50% less likely to be in poverty. Consequently, moving large numbers of the workforce from traditional agriculture to off-farm jobs is critical for accelerating poverty reduction and attaining middle-income status by 2020. Achieving these goals requires creating an additional 200,000 non-farm jobs per year.

The National Employment Programme (NEP) is the GoR's medium-term comprehensive intervention to address the rising unemployment challenges in a holistic and integrated manner, by addressing structural and institutional bottlenecks prevalent in the labour supply and demand. Under the heading Rationale, the NEP five year design document states that: "NEP...is designed to serve the following objectives (1) creating sufficient jobs that are adequately remunerative and sustainable across the economy, (2) equipping the workforce with vital skills and

attitude for increased productivity that are needed for the private sector growth, and (3) provide a national framework for coordinating all employment and related initiatives and activities in the public, private sector and civil society.”

This Mid-Term Evaluation, as set out in the Terms of Reference, has focused on the core activities under Pillar I and II. The evaluation covers the period from July 1, 2014 to September 30, 2016. Since the full evaluation of all NEP instruments was not feasible with the resources provided under this assignment, the consultants have focused on the following NEP interventions:

- Massive Vocation Training (MVT), under Pillar I
- Rapid Responsive Training (RRT) under Pillar I
- Industrial Based Training (IBT) under Pillar I
- Coaching micro, small and medium enterprises (MSMEs) to develop bankable micro business projects through Business Development Advisors (BDA) under Pillar II
- Support to MSMEs through the Business Development Fund’s (BDF’s) loan guarantee scheme under Pillar II
- and the grant scheme under Pillar II

Methodology for the Mid Term Evaluation

The evaluation adopted the widely recognised and tested (OECD/DAC) quality standards and criteria. As such, the evaluation was planned and implemented in a transparent and participatory manner respecting stakeholders’ views while ensuring the independence of the evaluation consultants. The evaluation applied the DAC criteria for evaluating development assistance: relevance, efficiency, effectiveness, impact and sustainability. As this is a mid-term evaluation the implementation of the 5-year NEP has only started two years ago, the impact of the programme cannot yet be evaluated in a robust manner. The team conducted a mixed-method approach using various qualitative methods for collecting data and information: document review, interviews, focus groups discussion and observations.

During field visits (in the 6 Districts: Muhanga, Rubavu, Gatsibo, Nyarugenge, Gisagara and Musanze) face-to-face meetings using semi-structured interviews were conducted with: Vice Mayors and senior staff of the Business Development and Employment Units (BDE/Us), BDF offices, Savings and Credit Cooperatives (SACCOs) and the Private Sector Federation (PSF), in addition to training providers. The interviews were individual or in groups of 2 or three individuals from the same institution. The interviews comprised open-ended questions with room for follow-up in accordance with the answers provided. Interview guides (Annex 2) were developed in order to facilitate overview, comparison and quality assurance. The interviews aimed to answer those evaluation questions (Annex 1) relevant to the particular interviewee/s’ involvement in the programme. Focus group discussions (FGDs) were

held in each District with 10 selected beneficiaries (6 FGDs with 60 participants in total), and with 10 BDAs (6 FGDs with 60 BDAs in total).

Major Findings

NEP is relevant in that it addresses high unemployment and poverty among the youth and women groups. The NEP is effectively aligned to “Rwanda’s Vision 2020” and the Economic Development and Poverty Reduction Strategy (EDPRS 2) 2013-2018, precisely Pillar 3 of the EDPRS 2 “Productivity and youth employment”. NEP aims to up-skill trainees with hands-on technical skills and to prepare them to become self-employed or seek remunerative and productive employment. NEP has facilitated trainees to access finance through a subsidized start-up toolkit loan facility through the Business Development Fund (BDF) and the SACCO’s. The programme is therefore aiming to empower its beneficiaries to interface with financial institutions (FI’s)¹. The secondary access to finance promoted by NEP, namely access to BDF’s off-farm guarantee fund and other collateralised lending, through assistance in the preparation of business plans is highly relevant to those entrepreneurs (women and youth prioritised) that have established a small or micro business and now wish to expand or diversify, and possibly to hire additional workers. Beneficiaries are, however, mostly urban- and peri-urban based, and few, if any enterprises in rural areas have been supported.

NEP has a small secretariat comprised of one coordinator and a core team of technocrats to collate monitoring reports and arrange coordination and steering committee meetings, etc. The bulk of implementation is done by the implementing line agencies and ministries, which are responsible for those components of the programme that fall within their statutory mandate. These are primarily: Ministry of Trade, Industry, and East African Community Affairs (MINEACOM); and Rwanda Development Board (RDB) responsible for investment promotion and business development; youth empowerment and employment under the Ministry of Youth and Information/Communication Technology (MYICT); Women’s Economic Empowerment and Gender Mainstreaming (MIGEPROFE); and Skills Development and Employment under MIFOTRA and WDA (Workforce Development Authority). On the skills supply side is the Ministry of Education (MINEDUC) under which training and skills development falls but it appears not to have played a major role in NEP implementation.

¹ *Field Interviews with BDF Advisors*

At the District level, 3 key institutions are involved, with the main institution under Local Government being the Business Development and Employment Services Unit (BDE/U). Others are the Business Development Fund (BDF), and the Savings and Credit Cooperative Organisations (SACCOs). The BDE/Us are linked primarily to NEP through day-to-day monitoring and reporting on NEP activities, besides the responsibility of mobilising youth to take advantage of existing skills development and enterprise development support (toolkits for vocational training graduates, BDF guarantee for start-ups and existing MSMEs). However, BDE/Us in all districts visited are inadequately facilitated for this task and have no dedicated budget for field activities. The linkages with NEP implementing entities are weak – BDE/Us have little information about day to day activities of NEP and are not well equipped technically or logistically to provide coordination and support of NEP activities. It appears that their main NEP-related obligation is reporting to the NEP Secretariat using Ms Excel spread sheets provided by the NEP Secretariat. This reporting is limited to programme beneficiaries and they rely on SACCOs to provide the information. It would be more effective if they worked closely with lower local government structures (Sectors and Cells) whose mandate it is to promote such activities at local level including monitoring SACCO activities, but findings from field interviews indicate that these structures are inadequately involved. In general, the outputs generated by the programme and the processes through which they are generated is efficient – in terms of funding, non-financial inputs and time. However, the level of efficiency varies from output to output.

At the level of national and local government, there was clear evidence that NEP has achieved a great deal in terms of providing a national framework for coordinating all skills training and access to finance initiatives. In terms of involving the private sector and civil society, the linkages were weaker. The Private Sector Federation (PSF) was clearly informed about NEP activities but less clearly involved on-the - ground. Areas where PSF or other business associations could play a significant role include facilitating orientation and mentoring of upcoming entrepreneurs and advocating for them and providing platforms for confidence building or showcasing their products/services. Field findings indicate that these services are absolutely necessary especially for start-ups in the toolkit category, but are currently lacking. No clear linkages with other civil society agents, such as NGOs were described to the team. Yet there were a number of CSOs involved in NEP-related activities² but their activities and outcomes are not adequately documented or reflected in the NEP or district reporting systems.

²In a number of districts visited, some NGOs and FBOs, for example sponsor vocational training and provide start-up tool kits to disadvantaged youth.

In terms of job creation, establishing a framework for reliably estimating the number of jobs actually created or the actual extent to which NEP is influential in achieving job creation, is acknowledged to be very challenging and resource intensive. The target of creating 200,000 off-farm jobs per annum is at the national level and NEP contributes to it. While jobs have been created any quantification is simply not possible, what is being done, according to the NEP Secretariat is to quantify the entire creation of jobs through EICVs (estimated at 146,000 in 2014) and the Labour Force Survey that has recently been initiated. At the District level, reports on job creation are collated, but the basis for identifying a 'job created' did not appear reliable or consistent. There is no monitoring beyond the activity level, so actual achievements cannot be comprehensively understood or publicised. Yet this evaluation established that there are inspiring case studies where the skills, toolkits and MSMEs support have helped beneficiaries to increase their employability and create productive employment for themselves and other youth.

The programme demonstrates the Government's very serious intention to address the problems of unemployment in a coordinated manner and if successful it can be expected to contribute to: political stability, equitable local economic development (as beneficiaries are distributed across the country), increased tax revenues and, enhanced public satisfaction ratings regarding the GoR's performance.

BDF has received funds from the GoR and from Sida to fund a programme of decentralisation down to the District level; to provide refinancing to SACCOs and; to establish an off-farm loan guarantee fund. As a result, the outreach of BDF has been extended nationwide, and all financial institutions receiving an off-farm loan guarantee or obtaining refinancing from BDF pay an annual service charge at 1% for the guarantee or 4% interest on the refinancing. This system ensures that BDF now has a sustainable source of income (unless repayment rates collapse). It is understood that prior to the start of NEP, BDF submitted a business plan for its own operations that predicted self-financing of its activities by the year 2019.

SACCOs reported that since their involvement with NEP they had increased their membership and therefore their members' savings had increased, leading in turn to an increase in capital available for onward lending. In addition, the number of their members accessing loans had also increased and their members' financial literacy was enhanced due to the work of their BDAs. Therefore, borrowers were more likely to be successfully repaying their loans, leading to a decrease in non-performing loans. (It must be noted that there is little data to empirically support these claims at this point in time.) SACCOs' management have received some institutional strengthening and enhanced financial literacy training from BDF, in addition to other donor institutions, but BDF reported that many SACCOs remained conservative, risk averse and reluctant to trust new financial products such as BDF's guarantees instead preferring hard assets (land and other property) as collateral.

BDAs interviewed by this mission reported increased income due to voucher payments. The more successful BDAs reported that they had invested this money into housing, land and other business opportunities that had diversified their incomes and reduced their vulnerability. They also benefited from raised status within their communities. A number of BDAs were interested to extend their roles as business advisors into the provision of related services, and it is evident that BDAs can have a significant impact. However, it will be the duty of the Government (essentially MINEACOM and RDB) to ensure that individuals providing such services are appropriately trained, their knowledge and skills regularly updated and activities regulated and monitored. This will be a long-term undertaking. At this stage, the BDAs are only expected to prepare business plans for which most have received some training. Poorly prepared business plans can lead to failing enterprises and low repayment rates, as well as to a negative reputation for BDAs. Therefore, it is very much in NEP's interest to ensure that BDAs receive the best training available, and remain or become more motivated to provide the most appropriate and objective professional advice to NEP target beneficiaries.

Conclusions and Recommendations

It is concluded that Sida should positively consider an extension of its funding to NEP. However, some progress on implementing the M&E and capacity building recommendations listed in Chapter 8 should be a condition of Sida's continued support.

1 Introduction

1.1 CONTEXT

The National Employment Programme (NEP) is the GoR's medium-term comprehensive intervention to address the rising unemployment challenges in a holistic and integrated manner, by addressing structural and institutional bottlenecks prevalent in off-farm labour supply and demand. Under the heading Rationale, the NEP five year design document states that: "NEP...is designed to serve the following objectives (1) creating sufficient jobs that are adequately remunerative and sustainable across the economy, (2) equipping the workforce with vital skills and attitude for increased productivity that are needed for the private sector growth, and (3) provide a national framework for coordinating all employment and related initiatives and activities in the public, private sector and civil society."

Employment promotion in Rwanda in the context of the NEP rests on the following assumptions: first, the *private sector* will be the source of most job creation; second, low skill and productivity levels represent an important constraint on employment promotion; and third, there is a need for appropriate *labour market interventions* by Government in collaboration with the private sector and other stakeholders to improve the efficiency of labour markets and to support vulnerable groups. Based on these challenges, the NEP is designed under the following four main pillars:

1. Off farm skills development for improved employability
2. Off farm entrepreneurship and Business Development
3. Labour Market Interventions
4. Coordination and Monitoring & Evaluation

1.2 THE ASSIGNMENT

The summative component of this assignment aims to assess and provide a comprehensive account of the achievements of the programme's results in accordance with four of the OECD/DAC standard criteria; effectiveness, relevance, efficiency and sustainability. The evaluation team has also made an indicative assessment of the impact of NEP.

The formative part of the evaluation provides learning and advice, also primarily derived from interviews, field based discussions and observation. The recommendations provided aim to provide future guidance to the GoR on priorities for strengthening capacity within the monitoring, coordination and implementation

processes of NEP as well as feeding into Sida's decision on possible support to NEP beyond the fiscal year 2016/2017.

This mid-term evaluation, as set out in the Terms of Reference, has focused on the core activities under Pillar I and II. The evaluation covers the period from July 1, 2014 to September 30, 2016. Since the full evaluation of all NEP instruments was not feasible with the resources provided under this assignment, the Consultants have focused on the following NEP interventions:

- Massive Vocation Training (MVT), under Pillar I
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- Support to MSME through the Business Development Fund's (BDF's) loan guarantee scheme under Pillar II
- and the grant scheme under Pillar II

The rationale for the selection of these three NEP instruments, as set out in the ToR is that they are:

- Designed to reach a large number of beneficiaries,
- Expected to achieve results on outcome and on impact level within the lifetime of the NEP,
- Consuming a large part of the overall NEP budget.

According to the design of NEP the training provided under Pillar I is a critical element of the entire programme and should link closely to the work of the BDAs and to the loan guarantee and grant schemes funded by Sida. Other NEP instruments, which are not the focus of the evaluation have been very briefly reviewed during stakeholder interviews at the inception phase, as well as some references to the dissemination of information during field level interviews.

1.3 INCEPTION ACTIVITIES

The most important elements of the inception phase were:

1. Together with Sida/Swedish Embassy and the NEP, establishing a mutual understanding for the purpose, scope, conceptual framework, terminology and limitations of the assignment.
2. Identifying and gaining access to data sources. (see Annex 3 for a list of Document Consulted)
3. Conducting detailed interviews with key stakeholders
4. Practical planning of team and interview logistics, etc. (see Annex 5 for a detailed workplan)

Potential Limitations of the Study

The depth of analysis in a study of this type is generally determined by the indicators and targets established in the programme's result framework and the availability of independently verifiable information. However, the monitoring and evaluation information received by the team does not provide adequate information on baselines or outcomes. This limits the ability of the team to draw firm conclusions. Another limiting factor is the absence of a detailed budget breakdown with associated expenditure to date against consistently defined budget lines from year to year. In addition, the financial performance of the loans guaranteed by Sida's funds needs to be accessible in order to evaluate the effectiveness of the lending programme in support of MSMEs. Some summary data has been received from the BDF which provides an insight into their results in 2014 and 2015, but for the most part it is too early to assess the outcomes of loans disbursed in 2016. The team did enquire from individual SACCO's regarding the performance of their own lending programmes and received responses with regard to the impact of the increasing access to finance promoted by NEP, but the availability of more substantial data would have greatly assisted the Evaluation Team's assessments.

In light of these data limitations, many of the findings of this evaluation rest substantially upon information gathered from interviews and focus groups discussions, along with the team's observations during field visits to enterprises, etc.

The Overall Approach

The evaluation adopted the widely recognised and tested (OECD/DAC) quality standards and criteria. As such, the evaluation was planned and implemented in a transparent and participatory manner respecting stakeholders' views while ensuring the independence of the evaluation consultants. The evaluation applied the DAC criteria for evaluating development assistance: relevance, efficiency, effectiveness, impact and sustainability. As this is a mid-term evaluation the implementation of the 5-year NEP has only started two years ago, the impact of the programme cannot yet be evaluated in a robust manner. The team conducted a mixed-method approach using various qualitative methods for collecting data and information: document review, interviews, focus groups discussion and observations.

While the ToR stipulated the use of quantitative as well as qualitative research methods, it was agreed during the inception phase that conducting a quantitative survey required time and resources beyond the budget available for this study. In hindsight the wisdom of this amendment has been further re-enforced. While the conduct of a detailed ex-post impact survey would be very interesting it was clearly premature to attempt such a study at this early stage. Also, for a complex programme of this nature considerable planning and design work will be required to ensure that the outcomes of an impact study are useful and reliable. It is recommended at this

point that smaller, focused studies be undertaken by the NEP Secretariat (see Recommendations Chapter below)

1.4 DATA COLLECTION AND ANALYSIS

The data collection phase combined various qualitative research techniques including the use of stratified sampling for the focus group discussions at the District level. This sampling methodology ensured that the sample population contain an appropriate cross section of respondents, taking account of characteristics such as gender, age, geographic location and nature of business. The team received NEP support in gaining access to the selected District level informants and in ensuring that all logistics were efficiently accomplished. The NEP also assisted in providing the necessary data to enable this process to be accurately undertaken and to ensure that the selected BDAs and beneficiaries were available for focus group discussions. Data was gathered in the following ways:

Desk review

A desk review of proposals and annual reports, policy documents and strategic framework as well as other relevant documentation was carried out. The information obtained was structured, based on the questions in the ToR, to get an overview and facilitate comparison.

Interviews and Focus Group Discussions (FGDs)

During the field visits (in the 6 Districts: Muhanga, Rubavu, Gatsibo, Nyarugenge, Gisagara and Musanze) face-to-face meetings using semi-structured interviews were conducted with: Deputy Mayors and senior staff of: BDE/Us, BDF offices, SACCOs and the Private Sector Federation (PSF), in addition to training providers. The interviews were individual or in groups of 2 or three individuals from the same institution. The interviews comprised open-ended questions with room for follow-up in accordance with the answers provided. Interview guides (Annex 3) were developed in order to facilitate overview, comparison and quality assurance. The interviews aimed to answer those evaluation questions (Annex 1) relevant to the particular interviewee/s involvement in the programme.

Focus group discussions were held with 10 selected beneficiaries (6 FGDs, with 60 participants in total), and with 10 business development advisors, BDAs (6 FGDs with 60 participants in total). The aim of each discussion was to elicit a wide range of observations involving the entire group, with more focal participants assisting to draw out responses from those who are more reticent. The group as a whole audited all responses and was encouraged to confirm the reliability of information imparted. The primary aim of these open-ended discussions was to determine whether NEP has successfully created ‘productive employment’. In this context ‘productive employment’ is defined as the ILO defines it, as being employment generating

sufficient income to allow the individual and his/her family/dependents a living standard above the poverty line

Observation

Observation, e.g. in the form of visiting some programme activities, was used to complement the information obtained from documents and interviews. In particular, team members visited around 6 small / micro business and cooperatives trained and or financed with support from NEP in each of the 6 Districts visited. TVET and VTC establishments were visited and senior staff interviewed. In addition, C&H Garments and cobblestone cutting and shaping sites under Rapid Response Training (RRT) were visited along with one hotel training workers under Industrial Based Training (IBT).

Data collection, compilation and analysis were an iterative processes with the team regularly touching base with each other as well as with Sida and the NEP Secretariat to discuss preliminary findings. After completion of all fieldwork a debriefing workshop was held with major stakeholders at which a summary of findings and major recommendations was presented and discussed.

2 Relevance

The Government of Rwanda's (GoR's) commitment to poverty reduction is reflected in its long-term strategy, the Vision 2020 and the EDPRS 2 medium-term framework. The overarching goal of the GoR is to achieve sustainable and equitable economic growth. The GoR and its development partners identified a low level of skills and low labour productivity, as a key hindrance to economic growth and poverty reduction, as it stifles private sector growth and competitiveness in all sectors, as well as employability and access to productive employment particularly among poor youth. A major factor contributing to youth underemployment is skills mismatch and limited job growth/expansion compared to the rate of population growth.

According to the integrated household living conditions survey EICV4 (2013/14), Rwanda is experiencing fast social, demographic and economic transformation. The survey findings show that the unemployment rate among the youth is high³. The findings also show that among unemployed people 9% completed secondary school and 13.5% are university graduates⁴. According to the same survey the unemployment rate was high among the females belonging to the age group (18-35) at 12.7%⁵. The strategy to reduce the population employed in the agricultural sector was informed by the shortage of available arable land and the persistent reports (from EICV2, 3 and 4) that the poorest people were likely to be employed on-farm and unskilled. The government has committed to developing relevant skills, particularly for youth and women and to undertaking educational reforms to increase the alignment of training to labour market needs.

Since 2000 the country has recorded an average 8% annual growth in GDP, mainly driven by agriculture and services. Vision 2020 aims for half of the Rwandan workforce to be employed off-farm by 2020, up from 28.4% in 2011. The government has committed to developing relevant skills, particularly for youth and women and to undertaking educational reforms to increase the alignment of training to labour market needs.

³ Household living conditions survey (EICV4)

⁴ Household living conditions survey (EICV4)

⁵ Household living conditions survey (EICV4)

The EDPRS 2 underscores Rwanda's development objectives of providing off-farm jobs to 50% of the workforce by 2020. The majority of Rwandans are employed in traditional agriculture, a sector marked by the lowest wages and lowest labour productivity relative to industry and services. The assessment of EDPRS 1 revealed that nonfarm workers are five times more productive than farmworkers and are 50% less likely to be in poverty. Consequently, moving large numbers of the workforce from traditional agriculture to off-farm jobs is critical for accelerating poverty reduction and attaining middle-income status by 2020. Achieving these goals requires creating an additional 200,000 non-farm jobs per year.

Employment promotion in Rwanda in the context of NEP rests on the following assumptions: first, the *private sector* will be the source of most job creation; second, low skill and productivity levels represent an important constraint on employment promotion; and third, there is a need for appropriate *labour market interventions* by Government in collaboration with the private sector and other stakeholders to improve the efficiency of labour markets and to support vulnerable groups. Based on these challenges, the NEP is designed under the following four main pillars:

1. Skills development for improved employability
2. Entrepreneurship and Business Development
3. Labour Market Interventions
4. Coordination and Monitoring & Evaluation

NEP responds to and addresses the issues of high unemployment among the youth and women groups. The NEP is effectively aligned to "Rwanda's Vision 2020" and the Economic Development and Poverty Reduction Strategy (EDPRS 2) 2013-2018 precisely Pillar 3 of the EDPRS 2 "Productivity and youth employment". The pillar emphasizes and focuses on appropriate skills and productive employment⁶.

The priority areas under pillar 3 of the EDPRS 2 are skills and attitudes, entrepreneurship, access to finance and business development, which are strongly aligned to pillar 1 (Skills Development) and pillar 2 (Entrepreneurship and Business Development) of the NEP.

The NEP seeks to up-skill trainees with hands-on technical skills and to prepare them to become self-employed or seek remunerative and productive⁷ employment. The financial support provided to the NEP beneficiaries particularly for the start-up

⁶ *Economic Development and Poverty Reduction Strategy (DPRS 2)*

⁷ *Field Interviews with BDF Advisors complemented by SACCO Managers*

Toolkit is appropriate considering that the majority of TVET/VTC trainees have no prior experience and skills in operating a business. The NEP has facilitated trainees to access this heavily subsidized start-up Toolkit loan facility through the (BDF) and the SACCO's. The programme is therefore aiming to empower its beneficiaries to interface with financial institutions (FI's)⁸.

The secondary access to finance promoted by NEP, namely access to BDF's off-farm guarantee fund and other collateralised lending, through assistance in the preparation of business plans is highly relevant to those entrepreneurs (women and youth prioritised) that have established a small or micro business and now wish to expand or diversify, and possibly to hire additional workers (although hiring additional workers is not a criteria considered in the loan assessment process).

⁸ *Field Interviews with BDF Advisors*

3 Effectiveness

Effectiveness is considered under three sub-headings: Pillar One, Pillar Two and Monitoring and Evaluation.

3.1 PILLAR ONE-EFFECTIVENESS

3.1.1 Massive Vocational training (MVT)

NEP has successfully leveraged the existing structures of the Workforce Development Authority (WDA) in order to involve 383 TVET/VTC's institutions within its programme. The institutions have WDA accreditation and 50% are private. They have been used to train youth and women in various trades with a focus on employment creation through short-term training. In the last 2 years, more than 10,000 youth were trained under NEP⁹. Selection of training areas is based on the District's needs and orientation to address the issue of unemployment among its youth and women. Trainers' salaries, fees and consumables (training materials) are provided by NEP in order to facilitate the courses. The trainings focus on core competences that can help trainees access the labour market as skills are the key drivers of increased productivity¹⁰. The trainings are largely practical and market oriented. Retention of trainees during the training period is rated good. Only 10% to 15% of trainees dropout. Demand has increased as a result of NEP's information campaigns at district and sector levels¹¹. The tables below provide the number of beneficiaries per trade under both the normal and graduate NEP programme disaggregated by gender from 2014-2016.

⁹ Key Informant Interview, WDA NEP Coordinator

¹⁰ Key Informant Interview, WDA NEP Coordinator

¹¹ Key Informant Interview, WDA NEP Coordinator

Table 1: NEP Training Beneficiaries by Trade and Gender

Training course/Normal NEP	Cumulative Number of People Trained from 2014-2016			% of total Trainees	% Female Beneficiaries
	Total	Male	Female		
Total	7,220	4,591	2,692	100	37.3
Masonry	1,348	1,143	205	18.7	19.1
Carpentry	1,074	875	199	14.9	15.2
Plumbing	319	253	66	4.4	20.7
Electricity	681	588	93	9.4	13.7
Tailoring	944	68	876	13.1	92.8
Welding	909	776	133	12.6	14.6
Culinary art	918	228	690	12.7	75.2
Foods and Beverages	341	145	196	4.7	57.5
Hair dressing	134	14	120	1.9	89.6
Auto motive body repair	155	125	30	2.1	19.4
Motor vehicle engine mechanics	389	348	41	5.4	10.5
Shoe manufacturing	71	28	43	1.0	60.6

Source: Work Force Development Authority (WDA)

Note: It is understood that other skills are also being taught, such as visual arts and video production, etc.

From table 1 above, the largest proportion of beneficiaries have been trained in masonry (19%), carpentry (15%), tailoring, welding and culinary art (13% each), while the lowest numbers are in hair dressing, automobile repair (2% each), plumbing (4%) and motor vehicle engine mechanics (5%). In terms of gender, female trainees tend to dominate two trades i.e. tailoring (93% of all trainees) and hair dressing (90%), and were unlikely to take up automobile mechanics (10%), welding and carpentry (15%) and masonry (19%).

The targeted beneficiaries under the MVT are youth and women¹². The WDA has recently developed ‘competency-based’ curricula for these MVT’s and upon completion beneficiaries are awarded a Certificate¹³ at level one or above. Trainees acquire technical hands-on skills in their chosen trades that include: carpentry, welding, tailoring, plumbing and culinary arts, among others. These skills are intended to lead into productive employment or self-employment and may at times lead to further job creation when trainees pass on their knowledge to others in their workplace. A significant number of TVET/VTC graduates have been supported through the start up loan toolkit facility subsidised by a 50% grant as well as a 75% BDF guarantee on the remaining loan amount. Anecdotal interview findings indicate

¹² Key Informant Interview, WDA NEP Coordinator

¹³ Key Informant Interview, WDA NEP Coordinator

that successful business plans have shown high potential for off-farm jobs creation contributing to the EDPRS 2 annual target of generating 200,000 off-farm Jobs¹⁴

These findings also indicate that NEP's involvement has indirectly contributed to enhanced reputation/image of these training establishments as well as an increase in terms of visibility for the TVET & VTC's schools through their graduates speaking highly of the courses offered under NEP and the skills they have gained. The trainers have also benefited from the NEP by earning generous allowances to top up their normal/regular salaries.

Conversion of Unemployed graduates

A special intervention under the MVT is re-training of university graduates who stay unemployed for 2 years or more after graduation. The NEP response to this category of beneficiary was informed by the EICV 3 and 4 results that showed such graduates among the poor. Most of these graduates have taken up courses in food and beverages (mostly food production, culinary art and food processing), visual arts and videography.



Photo: Students on a Graduate Conversion Programme learn pastry skills at Musanze Polytechnic

Challenges encountered by TVET/VTC's

The main challenges pointed out by training beneficiaries and other stakeholders interviewed were:

- Lack of adequate modern equipment in most VTC's. Some beneficiaries, especially in carpentry and tailoring raised concerns that they were facing competitiveness challenges in the market due to lack of knowledge and skills with modern equipment.

¹⁴ : *Field Interviews and FGD's*

- High level of equipment damages and waste of consumables by students on rapid programmes due to inadequate readiness. Unlike normal students who first learn theory and get familiar with equipment, NEP MVT students are exposed to sensitive equipment before they have learnt the basics. WDA has commented that the training combines theory and practice whereby the trainees spend 30% of their time on theory and 70% on practical aspects of the course. During the theory beneficiaries are trained to use the training equipment and hand tools.
- Limited space in VTC's leading to congestion with adverse effects on the learners. The WDA has commented that the class size is around 25 students. Mostly the NEP trainings take place in the afternoon, morning hours or in the holidays when the classes are closed.
- Inadequate appreciation by local government authorities of the role of VTC's in capacity development and in particular limited knowledge of the NEP. VTC's are sometimes neglected by local government coupled with a lack of linkages to the newly created Business Development and Employment (BDE) Unit at the District level. The WDA commented that the most suitable training centres and trades are selected in consultation with local government to ensure ownership by local government. The NEP secretariat commented that the target is to have 60% of Year 9 leavers attending in TVET and VTCs and current this rate is 55%.
- Supervision of VTC's by WDA and IPRC's is very weak. In one of the VTC's it was observed that officials from the IPRC only visited the VTC when yet they are expected to supervise a programme, or to provide technical guidance and quality assurance. The WDA has commented that at every phase of training, WDA sends monitoring staff. In addition, a team of internal auditors should be send in order to make sure that funds are properly used. But the monitoring needs to be strengthened by involving Local Government and IPRCs.
- Dropouts caused by distorted information/communication, for instance, a number of MVT participants thought they would receive cash rather than a toolkit on completion of the training programme. WDA believe that communication has now improved, resulting in increased retention of enrolled students.
- Insufficient budget for following up of their former students/graduates to receive feedback which negatively impacts future enrolments. The tracer survey for 2014/2015 conducted by WDA indicated that VTC graduates get employment more quickly after completion of the training compared to Technical Secondary Schools graduates, as they have received practical training, but this is not equivalent to supporting individual students to obtain employment post training.
- Some trades for instance carpentry and tailoring require significantly more time than the 3 months. Competency-based certificates ranging from level 1 to level 7 is intended to address this by enabling trainees to obtain very basic knowledge at

level 1 with the opportunity (if they have the resources) to return to study at increasingly higher levels in the future. This has yet to be tested in practice over an extended period.

- Delays in the supply of consumables by NEP to TVET's/VTC's were reported. WDA states that where delays occur the training is postponed until the materials have been received. However, some TVETs simply improvised with their own materials and replenished their stocks when they receive supplies (funds) from WDA. A contract from WDA is considered a reliable assurance by the participating TVETs.
- Administrative overheads and operational costs were described as being inadequate, although teachers receive attractive incremental salary payments. There is no budget line for operational costs, e.g. for equipment repair / replacement which puts TVETS at a disadvantage considering that NEP trainees are exposed to intensive use of equipment before they are familiar with equipment handling. Even the disbursed funds by WDA are insufficient and in some cases there are delays in disbursement.
- The demand for training is greater than the TVET's can supply, and the absence of any allowance for food or provision of boarding facilities excludes potential trainees who do not have a family home close to the facility. Few TVETS have been selected for the programme.

3.1.2 Rapid Response Training (RRT)

Rapid Response Training (RRT) was established to meet the specific and immediate large-scale skills needs for industrial production. RRT was an important instrument for attracting local and external investment in specialised areas that are labour-intensive. To-date, the garments industry, food processing, and construction (using cobblestone technology) are the pioneers of this approach. Through a Memorandum of Understanding (MoU) the WDA, under NEP, has partnered with C&H Garments and NPD COTRACO Ltd. to train youth and women for remunerative and productive employment.

3.1.3 C&H Garments Factory:

Trainees acquired skills in garment manufacturing for instance sewing, cutting/trimming garments & handmade silk embroidery using modern technologies. Despite this being an intensive 6-months programme, with trainees having to walk long distances to the Free Economic Zone where C&H premises are, the dropout rate

of trainees is low at 2%¹⁵. Training started in March 2015 when 300 workers were trained for a duration of 6 months, and 600 were trained in second batch and started working in the factory from December 2016. The third batch of 1,000 workers is planned to start training in March 2017. At least 70% of the factory workers are women¹⁶. This is consistent with the trend in other TVETS where women largely outnumber men in the tailoring courses due the stereotype that tailoring is a women's course. The majority of trainees have been offered long-term contracts on completion of the training, totalling 919 since NEP started. A total number of 70 trainees decided to leave on a voluntary basis to set up their own businesses and potentially have also created jobs¹⁷. A significant increase in trainee numbers is planned in near future – with 70% of training costs borne by NEP¹⁸

Table 2: C&H Garment Factory

Beneficiary participation since NEP started			Length of training 2014-2016
Number of persons	Male	Female	
919	422	497	6 Months

Source: Work Force Development Authority (WDA)

3.1.4 NPD COTRACO Limited:

In addition to all aspects of granite working, trainees acquired skills in report writing and documenting their daily activities which enables management to follow up and take action or make decisions that ensures effectiveness and efficiency in operating the plant¹⁹. The long term benefits are mostly to the company because trainees that have acquired skills are retained/offered remunerative and productive employment within the same company on various projects and they are more likely to stay with the company for a long time²⁰.

¹⁵ Field Interviews C&H Management

¹⁶ Interviews WDA NEP Coordinator

¹⁷ Field Interviews C&H Management

¹⁸ Field Interviews C&H Management

¹⁹ Field Interviews NPD Contraco Plant Manager & Staff

²⁰ Field Interviews NPD Contraco Plan Manager & Staff

Cobblestone Case Study

NPD Contraco Limited in collaboration with the Workforce Development Authority (WDA)

WDA is the lead Pillar I NEP implementing partner, and this includes Rapid Response Training (RRT). WDA formed a partnership to provide training to youth in cobblestone manufacturing and laying. A total of 45 trainees have acquired skills in three areas: quarrying (testing, quality & drilling), cutting (machine operation, maintenance and repair) and splitting cobblestone cubes. This was on a 6-month course using the NPD's new state-of-the-art cobblestone manufacturing facility at Nyarubaka Factory located in Muhanga District in Southern Province. The trainees also gained useful skills in diverse uses of granite stone.



Of the 45 (5 female) trainees, the factory's management stated and WDA's records showed that there were no dropouts during the entire period of the course leading to a 100% successful completion rate. On completion the trainees served a probation period of 3 months. Of the 45 trainees 44 will be offered contracts, after NPD's restructuring process is complete. One trainee chose to take up employment elsewhere as a skilled welder, for which he had been trained on this course.

NPD Contraco has also transferred skills in cobblestone laying. A total of 500 youth and women have gained skills from this training. Well shaped and tightly set, NPD's Cobblestones provide more level roads than the previous varieties. Another training programme is planned in near future.

Upon successful completion of the training course one of the former trainees, *Dukunde Peters*, based on his performance and leadership skills was promoted to the position of Assistant Plant Manager. In his own words *"the training has equipped me with life long skills in cobblestone manufacturing that led not only to employment within the Company but also to a leadership position. I feel confident that I will rise through the ranks to possibly become the Plant Manager of the Factory and even beyond"*.

It should be noted that the skills demand in both C&H and NPD COTRACO are linked to the high market demand for their products/services.

3.1.5 Industry based training (IBT)

Under this component, the training entirely takes place in the industry's environment with the aim of improving responsiveness of graduates to the actual labour market needs.

IBT trainees, after completion of their training will possess the necessary skills required in that industry²¹.

The companies employ trainers, and WDA in collaboration with NEP, provided training consumables²². The hospitality industry was the focus of this evaluation, and included the following training courses: house keeping operations, front office operations, food and beverage service and culinary arts. The trainees undergo six months training, and after graduation they are ready for an internship. The hospitality sector under IBT reported its high appreciation of this NEP initiative and stated that the dropout rates were very low²³. More than 80% of trainees are immediately absorbed across the hospitality industry on completion of their internship period due to high demand. The hosting company retains a significant number: as in the case of Virunga Hotel in Musanze district that was visited²⁴.

Table 3: Cumulative Number of IBT Beneficiaries by Host Company and Gender

RRT hosting company	Location	Participation since NEP started (2014-2016)		
		Total Trainees	Male	Female
Virunga Hotel	Musanze	466	246	220
Urumuri Hotel	Gicumbi	403	198	205
Moriah Hotel	Karongi	333	185	148
Eastland Hotel	Kayonza	357	180	177
Total		1,559	809	750

Source: Work Force Development Authority (WDA)

Photo: IBT Students and their Instructor at Virunga Hotel, Musanze.



A manager at Virunga Hotel, Musanze observed that Rwanda's hospitality sector faces severe challenges of skills, and the IBT gives them opportunity to monitor potentially good employees throughout their training period, and try to retain them. Beneficiaries indicated that they require other forms of technical support, for instance entrepreneurial skills and knowledge of how to operate a profitable business. The specific areas of technical support indicated include: marketing, cost control and bookkeeping to mention a few.

²¹ Key Informant Interview, WDA NEP Coordinator

²² Key Informant Interview, WDA NEP Coordinator

²³ Key Informant Interview, WDA NEP Coordinator

²⁴ Field Interviews Virunga Hotel Manager

3.2 PILLAR TWO: EFFECTIVENESS

The mid-term evaluation focused on the following outputs: “Micro, small and medium enterprises (MSMEs) to develop bankable micro business projects through Business Development Advisors (BDAs), with financial support to MSMEs through an off-farm guarantee scheme and a grant scheme managed by the Business Development Fund (BDF).”

3.2.1 MSMEs develop bankable micro business projects with advice from BDAs

NEP has recruited BDAs at the Sector level (two per Sector) to facilitate the preparation of bankable business plans for micro entrepreneurs. The Rwanda Development Board (RDB) is responsible for the management of this activity, as well as for the BDA’s training and support. The first cohort of 800+ BDAs were selected and trained (for two weeks) eighteen months ago and they have since received one week refresher training. However, RDB reports a turnover of around 10% which requires recruitment and training around 100 new BDA’s every year. Although new recruitment has taken place, at the time of writing this second cohort had not received their initial training. Rather, they had received on-the-job training from members of the first cohort and some had attended the refresher training.

Two BDAs are active in each Sector and they are expected to increase access to finance for new MSMEs. BDAs receive an output based reward system through the provision of vouchers. The voucher value for a business plan with a capital requirement of less than 1,000,000 is RWF 10,000, 30% of which is paid by the client and 70% is financed through NEP. The cost of BDAs’ services is therefore very affordable for the client, as confirmed by interviewees during field visits: ‘Before NEP a business plan was RWF 30,000 and only affordable by those who had a big business’ as stated by a BDA in Rubavu. It is assumed by this evaluation that NEP will gradually increase the percentage paid by the client in order to increase the sustainability of the programme.

The BDA is responsible to focus business ideas into feasible business plans and to support their client up to submission of the proposal to the financial institution. BDA’s reported that most of their clients use the SACCOs’ financial services. SACCO managers interviewed by this mission reported an increase in membership, a decrease of nonperforming loans due to better business planning and, increased awareness of proper business management by their clients due to the support of the BDAs.

District authorities interviewed believed that BDAs were effective and increased employment creation. However, at this stage it is not possible to assess how effective the BDAs actually are and whether they have increased employment creation.

Promoting access-to-finance is now embedded in the District's performance targets, and so they run events to promote this along with associated employment creation, including talks given at routine administration meetings. There are also road shows often financed by the ministries for gender promotion, youth and people with disabilities²⁵. It was apparent that the effectiveness of the programme might be adversely affected by some misunderstanding and misconception that are communicated at these events. In particular, there is a constant need to emphasise that loans have to be repaid and the potential consequences for the individual of non-payment. More follow up and guidance should be provided on this.

Being a BDA is more than business Advisory, Josephine NYIRABIRORI feels empowered.

Josephine has been working as a BDA for the past 18 months in Gikonko sector, Gisagara District.



She has supported around 126 business plans including from women and youth. Josephine said that she supported many businesses and influenced people in her area to join financial institutions and saving groups. She believes that this has been a positive influence, especially the youth in her Sector. She has witnessed people starting businesses

from nothing, and growing into stable enterprises and even employing others.

Prior to becoming a BDA Josephine received 2 weeks training from RDB/NEP. The training she received opened Josephine's mind and she realised that she didn't just get a job but also gained a life asset: "Thinking Business!" As soon as she went home, not only had she changed her mind-set and become business oriented, but also become more community centred. Josephine feels she has a responsibility to transfer this knowledge through her into actions: it is not easy but it is possible.

She has also created a business herself. Her initial idea was one that would serve as a business model for her clients as well as providing services and facilitating business plan writing. Later on, she discovered that there were other services lacking in her area, so she extended the cyber café to provide financial services such as mobile money, *Irembo* and branchless bank and has reduced customer's time and cost going to Huye city for banking services, which by motorbike takes 50 minutes at a cost of Rwf 3,000.

Josephine now feels empowered and she dreams to grow her capacity to become a tax advisor and to provide other online financial services to her clients. Josephine benefits a lot from her work as a BDA, though she says it's not an easy job. It requires energy and motivation, which is provided by progress day to day in her life and her clients' lives.

²⁵ Work related to increasing access to finance for persons with disabilities had not been fully initiated at the time of the mission

Successful BDAs are active in their Sectors and have different strategies to attract clients, as they are in competition with each other BDAs. This inherent competition between the two BDAs within each Sector should ensure improved service delivery, since individual BDAs will rely heavily on word-of-mouth recommendations to increase their income from vouchers.

Individual BDAs reported that they had supported between 100 - 600 business plans during the past 18 months, and they believed that many had resulted in genuinely profitable businesses. However, they also reported that some of their client's had stopped repaying their loans due to business problems. No reliable data on this was presented to the mission. It appeared that some BDAs had higher failure rates than other, but this is purely anecdotal and requires immediate follow-up and full analysis by NEP, and in particular the BDF.

The evaluation became aware there is an absence of timely follow-up and mentoring of all the established businesses. No budget is allocated for this and there is little capacity to provide business management support. In some areas, BDAs do follow up their clients on a voluntary basis as a means of promoting their own services locally.

NEP's target for 2015/2016 was 10,000 MSME's coached to access finance. This target was over-achieved at 17,218 businesses, among which 29.32% were women owned. The target for 2016/2017 is 9,000 MSMEs and NEP's first quarterly report states that 2,992 businesses have been created which represent 33.3 % of its annual target.

3.2.2 Support to MSMEs through Off-Farm Guarantee Fund

BDF is responsible for this Guarantee Fund. Guarantees are issued to SACCOs or other financial institutions (FIs) for approved and eligible loans where the business owner has insufficient collateral. Youth and women borrowers are entitled to a guarantee of up to 75% of the face value of a loan, with men over the age of 35 eligible to a 50% guarantee. The guarantee is requested after the financial institution has positively assessed the business plan and the credit worthiness of the applicant. BDF was decentralised with the creation of 30 district offices in order to facilitate local access to advice, although all guarantee applications at this point in time are passed to their head quarters for final approval. This can be a time consuming process and in some instances it was reported by SACCOs and BDAs that there was a lack of adequate feedback, particularly when loans were rejected. BDF's senior management challenged this, and it is possible that local institutions were attempting to transfer blame for poor business plans, but more investigation is required.

NEP's progress reports state that in the financial year 2015/16, the programme had an annual target of providing guarantees to 2,000 MSMEs, with 1,222 (61.10 %) reported to have received a guarantee (495 female). In the financial year 2016/17, the programme has an annual target of providing guarantees to 2,500 MSMEs and in Q1 the target was 500 MSMEs with an over-achievement of 560 (112%) MSMEs. Of

these guarantees, 16 were to companies, 58 to cooperatives, 165 to individual female entrepreneurs and 321 to individual businessmen.

BDF's Summary Report set out below shows nonperforming loans at 6% for their financial year to December 2015 (down from 13% in previous year). The same report shows that 43.5% of guarantees were provided to female owned businesses over the past three years, which appears to contradict the above figures reported by NEP.

Table : Status of BDF Guarantees since 2014 (source: BDF)

	2014	2015	2016	TOTAL
No Projects	767	936	1,405	3,108
Change in No of Project (increase)	-	18%	33%	
Total value of loans disbursed	12,740,136,249	5,712,665,222	16,671,131,366	35,123,932,837
Value of SME guarantees approved	4,939,110,017	2,427,080,999	4,467,911,224	11,834,102,240
Percentage of total loan value guaranteed	38.7%	42%	26.8%	
Non-Performing Loans (NPLs)	101	54	11(note)	166
Change in NPLs (decrease)		-87%		
NPLs as % of total No. loans	13%	6%	1%(note)	5%
No of Male borrowers	320	267	787	1,374
No of Female borrowers	370	459	475	1,304 (43.5%)
No of Companies financed	57	18	29	104
No of Cooperatives financed	11	84	54	149
No of Associations(Amatsinda)	-	-	69	69

Note: figures as at January 2017 and therefore likely to rise. (The number of projects is not consistent with the breakdown given for numbers of male, female, companies and cooperatives, etc.)

The SACCOs' management have received some institutional strengthening and enhanced financial literacy training from BDF, in addition to other donor institutions outside NEP, but BDF reported that many SACCOs remained conservative, risk adverse and reluctant to trust new financial products such as BDF's guarantees for which they pay a service charge of 1% per annum. In addition to these guarantees, some SACCOs had benefited from refinancing (for toolkit lending) from BDF for which they paid 4% interest per annum back to BDF. Some SACCOs seemed to appreciate this capital injection, whilst others stated that they had sufficient in-house capital and they resented paying BDF for additional capital.

The evaluation mission gained the impression that the BDF's district offices, recently established, still have to fully integrate into the local scene; such that local people can feel the advice is available to them directly, rather than just serving local financial institutions. BDAs also tended to view the SACCOs as their intermediary to accessing BDF services. This should be addressed with more awareness raising concerning BDF's mandate.

3.2.3 Support to MSMEs through the grant scheme.

Under the grant scheme the evaluation focused on the start-up toolkits facility. The grant is designed to help youth and women with vocational skill certificates to create their own businesses. The product combines a grant with a loan facility which allows the applicant to buy tools or equipment to start a business. The grant value varies from 20% to 50% depending on the proposed business size and type.

Delays in approving/procuring Toolkits were reference extensively in some Districts but not in others. Some BDA's reported that loan applications submitted in September 2016 had received no feedback and they were not aware of the reason for the delay. It was learnt from NEP/BDF that funding issues arose as the demand for this Toolkit facility had been underestimated. NEP's management should address these communication issues to avoid a negative impact on BDF and on the NEP programme. BDF's CEO responded to this by stating that they are planning to design an online tracking system, which will allow clients to follow their applications, and for FIs to have more access to information.

The fund for the Toolkits facility is managed by BDF and had been available to only two SACCOs per district, which were selected on the basis of their good performance. But this was about to increase to 3 per district; problems are created for eligible clients living outside those Sectors with a SACCO able to provide the Toolkit. Different levels of implementation in different districts were observed; in some districts there were very few loans or even none disbursed, while in others there were high numbers. The businesses set up and running and observed by this mission, appeared to have benefited significantly and a few had even started transferring their skills to others.

NEP's progress reports state that in FY 2015/16, 1,947 start-up businesses applied for Toolkit loans of which 710 were successful. In Q1 of FY 2016/17, the programme targeted 750 start-up Toolkits, and 1,256 graduates applied of which 898 were successful. The quarterly target was surpassed by 16%.

In the FY 2015/16, only 27% toolkit application received were successful. In Q1 of 2016/17, 41 % of applications received were given loans. The Q1 report states that financial institutions rejected some loan applications due to: lack of business experience, absence of TVET graduation records, and the poor quality of business plans.

Vocational skills and Toolkit facility create multiple Jobs: Case Study of BERWA



BERWA Association comprises a group of 5 young people who provide tailoring services in Kiziguro Sector, Gatsibo district. There were originally 7 women and 1 man, but 3 women dropped out due to marriage outside the area. The association was formed in 2016 shortly before they completed their 3-month tailoring course at Gakoni VTC. They received a Toolkit (grant and loan) valued at Rwf 4 million (the maximum

available for a group of 8 members). They started repayments after a 3 month grace period. They are disciplined and save money from every sale in order to ensure they make their loan repayments on-time. BERWA has secured contracts to produce uniforms for a nearby primary school and a church choir, among others. They have also participated in a provincial exhibition in Nyagatare where they marketed their products.

The SACCO manager confirmed that BERWA was repaying its loan well and had encouraged the members to take out another loan in due course so they could further expand their business. Their immediate future plan is to purchase dry cleaning equipment to provide services to the nearby hospital. Members are optimistic their enterprise will grow and create more jobs, citing their increasing reputation and potential market opportunities. They stated that they had learned good financial and general management practices. The group President described their main challenge as “to deliver clients’ orders on time. However, we resolve this by extending our working hours whenever there is too much work”.



The BERWA case study presents a number of inspiring lessons: youth do well in business when organised in a group; and members can encourage each other and enforced discipline with regard to working hard, focusing and saving.

Photos: Berwa members at work and SACCO Savings Account Book

3.2.4 On-going support to successful entrepreneurs

One issue that was raised by several very successful businesses, particularly in the Kigali area, is the fact that SACCOs have upper limits on loan amounts, usually around Rwf 3 to 4 million for individual entrepreneurs, even when ample collateral is available. In this situation these businesses are forced to look for funding from commercial banks, etc. However, they complained that these FIs refused to accept their good credit history acquired with their SACCO, and therefore refused to lend larger amounts until the proprietor had successfully repaid smaller loans. This barrier constrains the growth of small entrepreneurs and prevents them from grasping new opportunities. It is possible that other programmes beyond the scope of NEP are available to support this type of entrepreneur and if so they could benefit from an introduction.

3.2.5 Monitoring and Evaluation

As mentioned throughout this report, the monitoring and evaluation conducted by NEP to date is not adequate to enable the progress of NEP to be well captured and appreciated, or to identify real issues and bottle-necks that require the attention of management. Most monitoring appears to focus on activity and outputs (especially around training, toolkits and MSME guarantees /grant disbursements). There is limited systematic focus on outcomes, resulting in constraints associated with tracking jobs created – the main outcome indicator.

Given the decentralised nature of NEP's activities, it is at the district level and below where most activities, outputs and outcomes will be concentrated. It is therefore at these levels that the focus of implementing a comprehensive M&E needs to focus. At present the District BDE/Us follow up activities and receive reports from SACCO's and BDA's, and then send their own reports in simple Excel tables to NEP. Much of the information collected appears to be required for general administration rather than for monitoring. Such as the BDF Excel sheets which include the name of borrower, ID number and telephone contact, while some fields are left empty, such as: sales turnover and projected taxes, yet these are important parameters for outcome monitoring.

For effective monitoring it is necessary to first identify the indicators to be used. For instance, output indicators could include: target number of loans disbursed per quarter, target portfolio amount lent out per quarter, target repayments received per quarter. Then outcome-related indicators or their proxies could relate to beneficiaries' performance such as their sales, loan repayment levels, jobs created, innovations undertaken, etc. Data collection formats must be designed such that the information collected will establish whether such targets have been achieved. If not achieved, an exceptions analysis giving the reasons for shortcomings is required in an attached

narrative report. A financial institution such as BDF should be undertaking analysis of this nature as part of its routine internal monitoring.

The above issues apply to all the other Excel sheets seen by this team; for all types of training and the work of BDAs, etc. For all activities a similar exercise is required, that first establishes indicators and targets and then introduces information collection and reporting systems that produce the data to establish whether the targets have been achieved.

4 Efficiency

4.1 PROGRAMME STRUCTURE AND EFFICIENCY OF IMPLEMENTATION

NEP has a small secretariat comprised of one coordinator and a core team of technocrats to collate monitoring reports and arrange coordination, annual planning and steering committee meetings, etc. The bulk of implementation is done by the implementing line agencies and ministries, which are responsible for those components of the programme that fall within their statutory mandate. These are primarily: Ministry of Trade, Industry, and East African Community Affairs (MINEACOM); and Rwanda Development Board (RDB) responsible for business development; youth employment under the Ministry of Youth and Information/Communication Technology (MYICT); Women's Economic Empowerment and Gender Mainstreaming (MIGEPROF); and Skills Development and Employment under MIFOTRA and WDA (Workforce Development Authority).

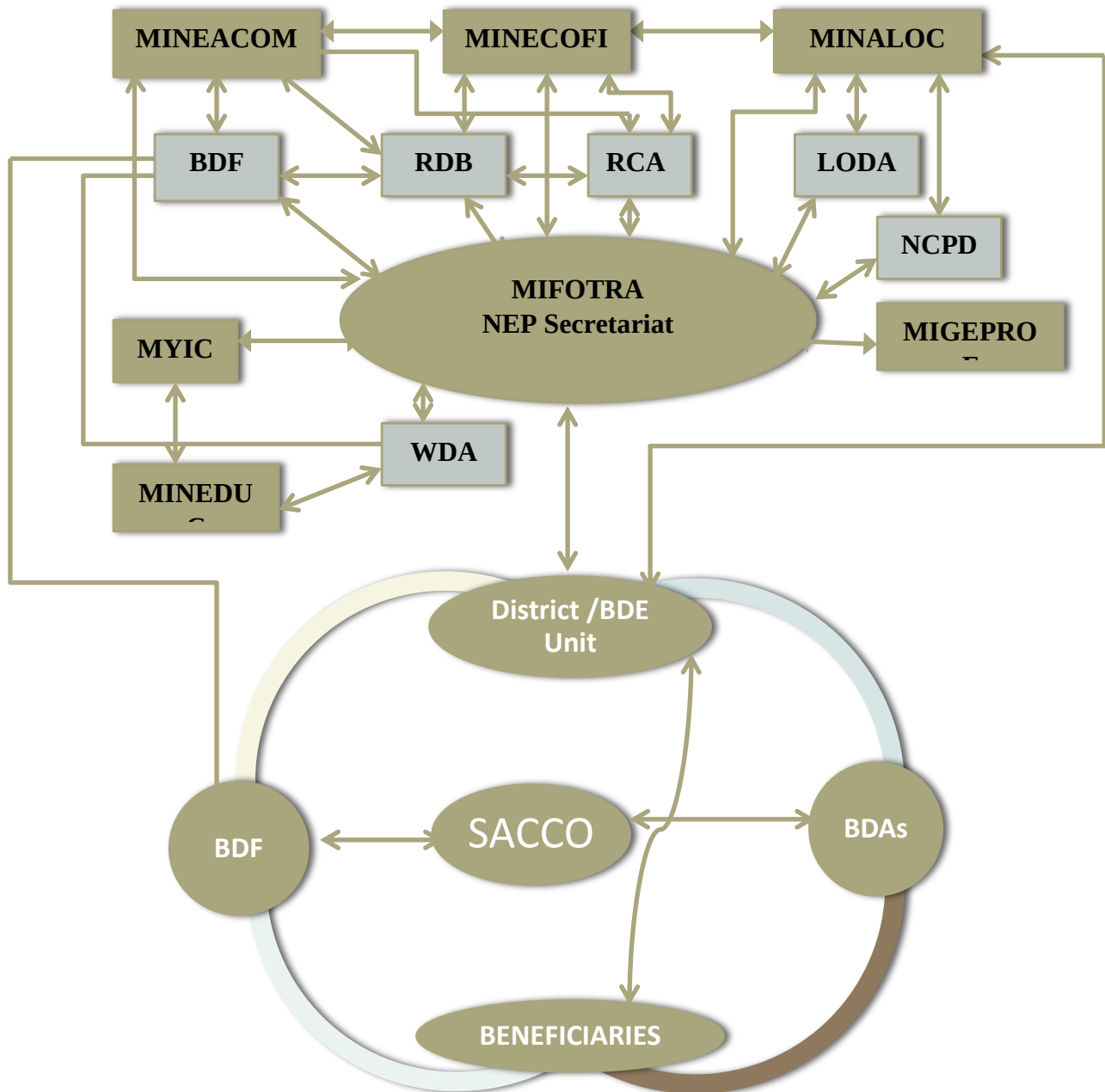
At the District level, 3 key institutions are involved, with the main institution under Local Government being the Business Development and Employment Services Unit (BDE/U). Others are the Business Development Fund (BDF), and the Savings and Credit Cooperative Organisations (SACCOs). The BDE/Us are linked primarily to NEP through mobilisation of target beneficiaries and their follow-up and reporting on NEP activities but the linkages are weak – BDE/Us have little information about day to day activities of NEP and are not well equipped technically or logistically to provide coordination and support of NEP activities. It appears that their main obligation is reporting to the NEP Secretariat using Ms Excel spread sheets provided by the NEP Secretariat. This reporting is limited to programme beneficiaries and they rely on SACCOs to provide the information. It would be more effective if they worked closely with lower local government structures (Sectors and Cells), but findings from field interviews indicate that these structures are inadequately involved.

It was also observed that national budgets (within implementing agencies) are not adequately shared with local counterparts in the Districts, as expected under decentralisation. This may reduce the efficacy of the programme as local counterparts are not adequately facilitated to undertake mobilisation and other follow-up activities. Local Government structures (e.g. District Women and Youth Councils, Labour inspectors) are not sufficiently deployed under NEP, although their involvement would be more cost-effective and enhance local ownership.

Despite the clarity of linkages (see figure 1 below), and appreciation among implementation focal points, the NEP Secretariat appears to be struggling with

coordination, communication and reporting issues. Some stakeholders argued that the perceived independence of implementing institutions was the main reason. It appeared to the evaluation team that NEP's Secretariat does not have sufficient power or influence to ensure action among implementing agencies, or it is reluctant to utilize available instruments to influence other ministries and implementing agents. If minded to, MIFOTRA could leverage the high political value of NEP's targets in order to galvanise action. Nonetheless, recent restructuring, in which NEP has been transferred to a new body – the Capacity Building and Employment Services Board (CBESB), along with associated functions of labour and employment, puts the programme in a more strategic position to coordinate activities across the different sectors.

Figure 1: NEP Structure and Linkages between NEP's Implementing Agencies



In addition, although the implementing structure provides opportunities for all actors to be involved and to integrate related activities, there seems to be parallel implementation in some activities. For example, the Labour Market Information System (LMIS), being developed at the time of this evaluation, is inadequately linked to NEP's M&E (notwithstanding the dysfunctions in the M&E framework). This contributes to inefficiency in data collection and information management. The same challenge relates to reporting job creation under the EDPRS/District *Imihigo* where District BDE/Us report that they submit separate reports to Ministry of Finance

(MINECOFIN) although these could be consolidated since they share the overall target of creating off-farm jobs.

Some existing structures provide opportunities for strengthening synergies between NEP's components. For instance, the subsector Working Group on Private Sector Development (PSD) and youth employment provides a platform to address issues of business development, industry's labour needs and skills development. However, the minutes reviewed indicate that such opportunities are not adequately utilised. Efficient utilisation of such platforms will require increased appreciation of the benefits of such platforms in relation to NEP, comprehensive review of roles and expectations, and more preparation by stakeholders.

4.2 EFFICIENCY OF OUTPUT GENERATION

In general, the outputs generated by the programme and the processes through which they are generated is efficient – in terms of funding, non-financial inputs and time. However, the level of efficiency varies from output to output. Key examples are:

- ✓ Under the mass vocational training (MVT), the programme has turned thousands of poor school-dropout youths into semi-skilled workers in a range of trades for which there is demand in the jobs market. Gakoni Vocational Training Centre (VTC) for example has received a cumulative amount of RwF 36 million for 3 phases but has trained 372 students in 5 trades (brick laying/masonry, tailoring, carpentry and joinery, leather craft, and welding) under the 3 months massive vocational training (MVT). The cost of training a student²⁶ under the 3 months program was estimated to be RwF 93,000, which is half the estimated RwF 185,000 that it costs to train one student under the normal 12 month programme.
- ✓ Some graduates of the 3 month MVT have already created jobs for themselves and employed others. Some have employed at least 3 other youths and provided training for as many as 3 students and 8 apprenticeship/internship in a short time.
- ✓ The programme leveraged existing resources (institutional systems & organizational structures, their personnel and other assets,) to implement programme activities and generate outputs. In the training component, for example, NEP only paid for consumables for trainees in TVET/VTCs and under the RRT, only 70% of consumables. In the mobilization of trainees and

²⁶ Interview with Deputy School Manager, VTC Gakoni, Gatsibo district.

disbursement of grants and loans, NEP relied on the facilities and systems of BDF, SACCOs and the district authorities.

- ✓ NEP built on and leveraged previous and existing initiatives e.g. *Hanga Umurimo* (under MINICOM), Adolescent Girls Initiative (AGI) under the Ministry of Gender and Family Promotion (MIGEPROFE) and the various youth skills development and employment initiatives under different ministries and agencies. NEP has leveraged the BDF *Kora Wigire* centres and built on financial instruments (guarantee scheme) to support MSMEs. This helped NEP to avoid some overheads and increased cost-effectiveness.
- ✓ The low cost of BDA services (Rwf 10,000 per voucher) and SACCO services (management cost of SACCOs) and the fact that beneficiaries contribute 30% of the cost of BDA services make it efficient as well as sustainable.

Nonetheless, some components of the programme represent lower levels of efficiency. The relatively high cost of the industrial-based training (in relation to the programme budget) and the low multiplier effect in terms of jobs created per trainee (one trainee represents just one job), makes the deployment of resources appear inefficient. Secondly, the programme would have been more efficient in allocating most start-up toolkits to groups (beneficiaries organised as a cooperative get more money, are able to undertake more viable projects and benefit from group synergy) than to individuals. The cost of disbursing and monitoring individual projects with funding as low as RwF 100,000 is the same as for a RwF 2-5 million project, hence high overhead costs. Moreover, as start-ups, individual projects are probably more risky than group projects.

4.3 ALLOCATION OF RESOURCES AND PROGRAMME OUTCOMES

Overall, the programme has allocated adequate resources to key components, when considering resource availability. The funds allocated for consumables in the different training programmes are considered inadequate but have enabled trainees to access all training requirements. However, administrative overheads that the implementing TVETs incur are not covered and this is a constraint since most TVETs are already financially constrained.

For financing of start-ups, there is a good grant versus loan mix in the financing instruments. However, the bank guarantee has not yet been understood by many potential beneficiaries and in some areas SACCOs are reluctant to take them up as they have had negative experience of guarantees in the past and remain conservative with regard to the adoption of new financial instruments (capacity building in this regard may help to overcome their reticence).

There are, however, important aspects of the programme that have received zero, or grossly inadequate funding despite being critical to programme success:

1. Post-finance follow-up support to beneficiaries is unfunded at both national implementing institution level and the local level. As virtually all beneficiaries (Toolkit and MSMEs) are considered high risk and vulnerable (most being start-ups or micro businesses) closer monitoring and mentorship support is required for them to survive and grow such that they can create jobs and repay their loans. Presently, only SACCOs monitor loans on an irregular basis (only when beneficiaries are late with their repayments) and their focus is only on repayments. Some BDAs will monitor their clients on a totally voluntary basis as their formal engagement ends when their vouchers have been paid, while the BDE/Us are already inadequately funded and overloaded with responsibilities. This financing gap and associated lack of follow-up has significant implications on job creation and programme sustainability. Some innovative engagement with the Private Sector Federations (PSF) in the provision of mentoring services could also be considered in the future although currently the PSFs are not held in high regard by micro-entrepreneurs interviewed for this evaluation.

2. BDAs are considered to be independent consultants who are paid for their services in assisting potential beneficiaries to elaborate bankable business plans. Nonetheless, they appear to have become the main mobilisers, educators and on-going advisors of target beneficiaries. The expectations of NEP's local implementers, regarding BDA outcomes, exceed what they are paid for, as any involvement with their client beyond the production of a business plan is purely voluntary. (Although if advice and mentoring is perceived by clients as helpful, this does represent an effective marketing tool for the individual BDA who is in competition with the second BDA within each Sector.) But, it is not possible to hold volunteers accountable for essential programme activities, and there are concerns that they are neither adequately trained or facilitated to do such work. A key concern is that the BDAs' motivation to mobilise beneficiaries is based on their own self-interest i.e. to get as many clients as possible (since the more business plans they complete the more they get paid), creating a situation where output/outcome information could be distorted. As a result, there is an absence of consistent and reliable information flow to micro entrepreneurs and inadequacies in follow-up and reporting on clients after projects have been approved and funds disbursed.

3. The BDF has at least 3 technical staff in most districts, all of who are technically competent in investment analysis and business development. There are opportunities for them to provide on-going training to BDAs to enable them to become more professional, and to provide follow-up and coaching in entrepreneurship and business management skills to programme beneficiaries, but this is not currently happening. In the districts visited, a number of BDF indicated that they would be willing and able to undertake these activities but are neither mandated nor facilitated or even requested to do so. In some districts like Gatsibo, Some BDF officers have developed proposals for re-training beneficiaries but their initiatives have stalled for lack of funding.

4. *Monitoring and evaluation especially at the local level* has received little attention (limited resources and technical support). BDE/U leaders have received a few mass trainings (some described these as more akin to awareness raising) about the NEP M&E reporting. There is hardly any budget for monitoring or specific technical support to local actors. This makes it difficult to hold anyone accountable for timely and quality reporting.

4.4 NATIONAL FOCAL POINTS AND INTER-AGENCY LINKAGES

The Focal Points (FPs) in implementing agencies are articulate and knowledgeable about the entire programme and appreciate its crosscutting nature. They have also ensured that their leaders participate in NEP activities such as quarterly steering committee meetings. FPs have helped improve coordination and to mobilize youth, women and persons with disabilities to participate effectively. A key indicator of their efficient work is the level of participation in NEP coordination meetings even at highest levels (Ministers, Permanent Secretaries and Heads of Agencies).

Given their role, FPs in implementing ministries and agencies are the fulcrum of sectoral convergence (job creation), there is more that is expected of FPs, especially in diffusing NEP activities into sectoral priorities (as reflected in sectoral/institutional policies, plans and budgets). This is one major missing link.

The main concerns raised about coordination and linkages are:

- Information flow on NEP related activities and results is not efficient – not accessible on MDAs' platforms, delays & complaints not effectively acted on, despite the seemingly improved institutional collaboration and coordination;
- Faint intra- and inter-sectoral/ institutional linkages despite high attendance of inter-sectoral meetings;
- BDE/Us not effectively undertaking coordination and supervision of NEP activities. Most meetings at local level are informal and largely undocumented.
- Role of lower LG structures (Sector and Cell) not yet defined even though they are closest to target groups/beneficiaries. The BDE Units could take advantage of their existence and local knowledge to assist in monitoring NEP activities.

Intra and inter-institutional linkages appear to be weak at central and local level, leading to limited synergy and lack of compliance on expected roles, for example:

- IPRCs are expected to supervise training provided by TVETs, a function that is within their normal mandate, but some TVETs encountered by this mission reported having been visited only once a year.

- District BDE/Us are expected to regularly monitor and report on all programme activities
- SACCOs are expected to regularly supervise, monitor and report activities, but this is seldom done, beyond their own disbursement of loans, etc.

The BDE/U Directors cited a lot of work and lack of budgets for regular monitoring. The assumption that NEP's implementing partners, mostly Government bodies, should automatically play their assigned monitoring roles does not appear to be working and there has been insufficient effort to ensure that every actor plays their part.

4.5 IMPLICATIONS OF HIGH BDA TURNOVER

Business Development Advisors (BDAs) are an important component in the NEP, as they have enabled the programme to take an essential business advisory service to citizens, even those living in remote areas where such services would otherwise not be accessible. Each of the 416 sectors is expected to have 2 BDAs. Therefore a total of 832 BDAs have been deployed throughout the country. However, a high level (around 10%) of drop-outs was reported and the evaluation team found a number of sectors with just one BDA while other BDAs had been on the job for less than one year while receiving no formal training. RDB plans to training 120 new BDAs as replacements. These are mostly young and some have university degrees.

There is virtually no investments in retention i.e. incentives to attract the best and to retain them as well as into improving the working environment so that they are better motivated. The original intake of BDAs have received two weeks initial training and around one weeks refresher training, but there is no formal recognition of this training or binding contracts setting out their roles and responsibilities. The institutionalisation of some form of certification is an important input into enhancing their position and retention.

The cost of training new BDAs is not sufficiently translating into more support for beneficiaries. Many BDAs that are doing well are from previous programmes and the more experience they have, the better for the beneficiaries and the greater their income from vouchers is likely to be. Fresher ones seem to struggle to get clients and they are likely to be the ones dropping out unless the factors that cause them to drop out are addressed.

5 Impact and Sustainability

At this relatively early stage in the implementation of NEP it is difficult to anticipate the actual levels of impact of this programme. However the design of NEP does provide some substance regarding intended sustainability. Field findings also point to aspects of beneficiaries' transformation that will contribute significantly to programme impact, scale-up and sustainability of the results. For ease of reading the direct beneficiaries and the various indirect beneficiaries have been analysed separately for both impact and sustainability in this chapter.

5.1 TRAINEES UNDER PILLAR ONE

The major impact is on their increased empowerment and confidence and their reduced vulnerability. This comes from the acquisition of skills and their ability to market those skills either to obtain employment, or to start up their own micro enterprise. It is anticipated and was significantly demonstrated in the field that those trainees who find the opportunity to practice their newly acquired skills in the workplace on a timely basis following the completion of their training will successfully sustain the benefits earned. However, where delays in finding employment or in obtaining start-up business finance occur, there is a significant risk that these benefits will rapidly diminish. Incidences increasingly inherent in the programme – notably delayed disbursement of toolkit and MSMEs grants/loans due to an unpredictable flow of funding and inadequate information to local NEP actors, point to the potential escalation of such risks. In this regard it might be expected that the trainees receiving RRT and IBT will have a greater likelihood to sustain the positive outcome of their training as they are working on-the-job and are more conversant with the workplace making them attractive to prospective employers. It is reported that almost 100% of RRT trainees were retained with the companies that trained them and that the IBT trainees also had success in obtaining employment (but this is not quantified). (This is an area where NEP secretariat could usefully undertake some small comparative studies of graduates from the respective training programmes funded by NEP, in order to verify the outcomes achieved and whether these are sustained over a number of years post-training.) WDA's tracking studies were cited as the main mechanisms for monitoring the employment status of trainees, but it was evident that such a mechanism is inadequate and not entirely reliable to meet the NEP Secretariat's information needs.

An important aspect of progress towards impact is that the Toolkit has enabled youth to demonstrate their ability to undertake bankable projects, which has helped change the attitudes (and in many respects long held stereotypes) of local financing

institutions, local authorities and other business actors towards youth as unreliable and high risk borrowers. Nonetheless, there remain serious challenges, as many youth still hold attitudes of getting free money from the Government. Hence it is important that carefully crafted awareness programmes be implemented to continuously sensitise the youth about doing things for themselves, and for other targeted beneficiaries to develop positive attitudes towards credit.

Under the RRT, trainees accessed modern technologies and skills that are new and otherwise inaccessible in the country (e.g. C&H Garments, NPD Cobblestone making). These two companies, to date, have absorbed nearly all trainees. Under IBT, 400 hospitality students in one small hotel appeared to have been well trained in 18 months (i.e. trained 3 batches of 200, 100 and 100 students for 6 months each).

5.2 ACCESS TO FINANCE CLIENTS UNDER PILLAR TWO

Note: Clients accessing finance under Pillar Two are not confined to graduates from training under Pillar One. In the majority of cases, clients receiving MSME guarantees had not received training or the training they received was not relevant to the business for which they were seeking finance. Conversely, Toolkit beneficiaries are those who graduate from skills training with a certificate of achievement (often under Pillar 1) and seek to purchase a relevant toolkit to enable them to become self-employed.

This is another area where studies might usefully be undertaken by the NEP Secretariat to establish actual outcomes. In the absence of such studies this report has to rely upon the anecdotal accounts of those clients interviewed during FGDs and on-site visits to business premises. Judgements are therefore caveated by the fact that clients interviewed are highly likely to represent more successful borrowers, despite efforts on the part of the evaluation team to ensure that a cross section of clients were contacted. It also has to be emphasised that borrowing under NEP is in the early stages of rollout and therefore some of the clients interviewed had received loans under predecessor programmes, and others were in the very early stages of repayment. It can be stated that the vast majority of start-up entrepreneurs encountered during this mid-term evaluation appeared confident and empowered, and some had become truly bankable in that they were able to access continued lending support.

The truism that receiving a loan is equivalent to becoming indebted must not be overlooked and for the poorest in society it is a hugely risky undertaking. Therefore, it is essential that all ill-judged business plans or unsuitable borrowers be excluded from accessing finance. The current incentives provided to BDAs (through vouchers) and to clients through the guaranteed lending, create a moral hazard²⁷, which demands very close scrutiny by lenders. It appears to be the case that despite being target-driven, the BDF is retaining a critical perspective, whilst the SACCOs are by their nature risk adverse and conservative. It can therefore be stated that at this stage there is some optimism that the financial probity of the lending institutions will protect the vast majority of clients from misplaced business investments. If so, the outcomes can be expected to be both high impact and sustainable with some becoming sufficiently bankable to access successive loans of increasing size.

Nonetheless, it must be appreciated that BDF cannot provide the required scrutiny of the business plans as well as provide technical support for business development and sustainability without a specific line of funding.

It was apparent from interviews with both clients and SACCO managers that the publicity and awareness raising surrounding NEP's access to finance interventions, and perhaps in particular the introduction of BDAs has resulted in a significant increase in demand for loans, even where no guarantees are available. When lending without a BDF guarantee, SACCOs required borrower's collateral of up to 130% of the face value of the loan. In order to provide such collateral the client often "borrowed" assets, such as land or housing from family members, etc., while those without access to collateral were excluded. No instances of forced assets sales due to non-payment of loans were reported and the clients interviewed by this evaluation revealed very positive outcomes. However, NEP must rely on financial institutions to retain the integrity of their loan assessment procedures to minimise inappropriate lending decisions, as in the above case of guaranteed lending. In some situations, SACCOs' may violate the terms of the NEP MoUs, and thereby undermine the clients' chances of success. For example, failure to provide a 3-month loan repayment grace period, charging higher interest rates than the agreed 15% per annum and failing to provide funds in a timely manner, and procurement of the required toolkit equipment as per specifications, among others. Strict follow-up and

²⁷ A *moral hazard* occurs when a person takes more risks because someone else bears the major cost of those risks, such as under a loan guaranteeing mechanism. BDF's liability to pay-out on its guarantees is rightly contingent on the financial institutions (SACCOs, etc) taking all possible steps to recover unpaid loans from their clients. Due diligence is therefore required to ensure that borrowers fully understand this provision.

execution of programme activities, particularly those directly linked to financing, will be a critical success factor.

5.3 IN-DIRECT BENEFICIARIES:

5.3.1 The Government of Rwanda

The design of NEP provides for nationwide coverage of the programme down to the sector level. This is important for emphasising equity in the fight against unemployment and poverty. The budgets provided for awareness raising events, often at the sector level, disbursed through Ministries responsible for gender, youth and disabilities, should also contribute to the government's positive image among the general public.

However, NEP has no reliable means of determining the extent to which the programme contribution towards the Government's target of creating 200,000 off-farm jobs per annum has been achieved. This is currently obscuring outcomes as it is impossible to identify what has been achieved beyond the lengthy Excel lists of beneficiaries. There is inadequate monitoring beyond the activity level, so actual achievements cannot be comprehensively understood or publicised. Indeed, BDE Units struggle to determine the number of jobs created and where, yet focusing on the programme beneficiaries and systematic follow-up of their business/job performance would provide more reliable information. Yet this evaluation established that there are inspiring case studies where the skills, toolkits and MSMEs support have helped beneficiaries to increase their employability and create productive employment for themselves and other youth. But these are not adequately documented in the NEP reporting system.

On the positive side, the programme has demonstrated the Government's very serious intention to address the problems of unemployment in a coordinated manner and to be flexible when problems with implementation arise. For example, the grace period for Toolkit Loans was extended by BDF from 3 months to 6 months (although this extension did not appear to have been implemented in all SACCOs visited by this mission) to assist the cash flow of start-up entrepreneurs.

In terms of the sustainability of NEP, if successful it can be expected to contribute to political stability, equitable local economic development as beneficiaries are distributed across the country, increasing tax revenues and increased public satisfaction rating regarding the performance of the Government.

5.3.2 SACCOs

The findings here reflect the team's interviews with two SACCOs from each of the 6 districts visited. It should be noted that these two SACCOs were those that had been selected for the distribution of toolkit loans, and as such were intended by NEP to be amongst the top performing SACCOs in their respective Districts. Therefore, they

were by no means a representative sample of all SACCOs able to access guaranteed lending from BDF.

These SACCOs reported that since their involvement with NEP they had increased their membership and therefore their member's savings had increased, leading in turn to an increase in capital available for onward lending. In addition, the number of their members accessing loans had also increased and their members' financial literacy was enhanced due to the work of their BDAs. Therefore, borrowers were more likely to be successfully repaying their loans, leading to a decrease in non-performing loans. It must be noted that there is little data to empirically support these claims at this point in time.

The SACCOs' management have received some institutional strengthening and enhanced financial literacy training from BDF, in addition to other donor institutions, but BDF reported that many SACCOs remained conservative, risk averse and reluctant to trust new financial products such as BDF's guarantees. In addition to these guarantees, some SACCOs had benefited from refinancing (for toolkit lending) from BDF for which they paid 4% per annum back to BDF. Some SACCOs seemed to appreciate this capital injection, whilst others stated that they had sufficient in-house capital and they resented paying BDF for additional capital. Over time it has to be assumed that the institutional strengthening provided to these SACCOs, from whatever source, will increase the sustainability of these vital grass-roots, financial institutions.

Currently, just two SACCOs per district are recognised by BDF to disburse all the toolkit loans. Should repayment rates on these high-risk toolkit loans become difficult (perhaps due to the moral hazard mentioned above), these SACCOs will be forced to follow-up multiple loans in locations scattered across the district rather than just within their own Sector. This already has cost implications that might impact negatively upon these SACCOs' profitability. Moreover, many toolkit loans (from as little as RwF 100,000) may be too small to justify the administrative costs associated with the loan processing and follow-up.

5.3.3 The Business Development Fund (BDF)

BDF has received funds from the GoR and from Sida to fund a programme of decentralisation down to the District level; to provide refinancing to SACCOs and; to establish an off-farm loan guarantee fund. As a result, the outreach of BDF has been extended nationwide, and all financial institutions receiving an off-farm loan guarantee or obtaining refinancing from BDF pay an annual service charge at 1% for the guarantee or 4% interest on the refinancing. This system ensures that BDF now has a sustainable source of income (unless repayment rates collapse). It is understood that prior to the start of NEP, BDF submitted a business plan for its own operations that predicted self-financing of its activities by the year 2019. Although requested, this business plan has not been seen by the evaluation team and therefore it is impossible to judge whether this target is likely to be achieved. However, due to the

design of NEP's access to finance programme there does appear to be a possibility that BDF will become self-sustaining at some point. (It should be noted that BDF also has an agricultural guarantee fund.)

The off-farm guarantee fund is currently performing with a leverage ratio²⁸, as stated by BDF of around 2, with a target around 5. Given that this fund is relatively new a low leverage is not an issue, and as the ratio grows so BDF's income from the fund will increase.

5.3.4 The Business Development Advisors (BDAs)

The BDAs interviewed by this mission reported increased income due to voucher payments. The more successful BDAs reported that they had invested this money into housing, land and other business opportunities that had diversified their incomes and reduced their vulnerability. They also benefited from raised status within their communities. A number of BDAs were interested to extend their roles as business advisors into the provision of related services, such as assisting their clients to file on-line tax returns, to register collateral used to secure loans and to access other electronic services provided by government or the private sector. In the future they have the potential to extend their service provision beyond business planning into more advanced aspects of business and financial planning.

It is therefore evident that the BDAs can have a significant impact, however, it will be the duty of the state to ensure that individuals providing such services are appropriately trained and regulated. This will be a long-term undertaking.

At this stage, the BDAs are only expected to prepare business plans for which most have received some training. Poorly prepared business plans can lead to failing enterprises and low repayment rates, as well as to a negative reputation for BDAs. Therefore, it is very much in NEP's interest to ensure that BDAs receive the best training available, and remain or become more motivated to provide the most appropriate and objective professional advice to NEP target beneficiaries.

Nonetheless, there are concerns that BDAs who are succeeding and likely to stay are those who had been in the programme for a long time, and already established in their localities. A big number of the younger, more educated BDAs that were recruited under NEP are more likely to dropout due to the harsh business environment. RDB

²⁸ The leverage ratio represents the number of times the total value of the guarantee fund is multiplied to cover loans that have been guaranteed. In exceptionally low risk environments this ratio can be as high as 20, but 5 to 10 is more common.

was spending substantial resources training up to 120 more BDAs to replace those dropping out.

5.3.5 Technical and Vocational Training Institutions (TVETs)

The provision of vocational skills and the toolkits to enable graduates to immediately access the market have enabled TVETs to demonstrate their potential as providers of employable skills that Rwanda's economy requires, and in so doing, increased their profiles. In all districts visited, TVETs, especially the hitherto neglected and low-rated VTCs, reported that their students under the 3 month mass vocational training (MVT) sub-component had marketed their institution more effectively due to their performance after receiving the toolkit support. The Government is also increasingly giving them more attention as a result of NEP although most are still under-equipped and under-funded.

6 Conclusions

According to its five year design document, the NEP... “is designed to serve the following objectives (1) creating sufficient jobs that are adequately remunerative and sustainable across the economy,(2) equipping the workforce with vital skills and attitude for increased productivity that is needed for private sector growth, and (3) providing a national framework for coordinating all employment and related initiatives and activities in the public, private sector and civil society.”

In conclusion it can be stated that to date NEP is partially meeting these objectives. In terms of skills acquisition and increasing productivity, the work of NEP as established by this mission was having an impact, and with regard to RRT and IBT there were, by definition, direct links to the private sector. In the case of TVET/VTC training there was evidence of some links to the private sector, but also the scope to strengthen such links through more on-the-job training and apprenticeship schemes, as well as use of incubator opportunities available in the established community partnership centres (CPCs). A mission of this nature could not effectively assess actual levels of remuneration and whether they represent productive employment, i.e. does the rate of remuneration enable an individual to meet their basic family needs. It should be the duty of the NEP Secretariat to undertake surveys that can assess this issue in an empirically reliable manner. Nonetheless, the testimonies of beneficiaries and employees of the established businesses visited indicated that the remuneration and returns enabled them to live much better lives than previously or compared to non-beneficiaries.

In terms of job creation there is no framework for reliably estimating the number of jobs actually created or the actual extent to which NEP is influential in achieving job creation. The target of creating 200,000 off-farm jobs per annum is hugely ambitious, and while jobs have been created any quantification is simply not possible with the current style of monitoring and reporting. At the District level, reports on job creation are collated, but the basis for identifying a ‘job created’ did not appear reliable or consistent.

At the level of national and local government there was clear evidence that NEP has achieved a great deal in terms of providing a national framework for coordinating all skills training and access to finance initiatives. In terms of involving the private sector and civil society the linkages were weaker. The Private Sector Federation (PSF) was clearly informed about NEP activities but less clearly involved on the ground. There are also business associations or platforms that could help provide mentorship and confidence-building support to the new entrepreneurs created through NEP. No clear linkages with other civil society agents, such as NGOs were described

to the team. Yet there were a number of CSOs involved in NEP-related activities but their activities and outcomes are not adequately documented or reflected in the NEP or district reporting systems.

It is possible that there is an oversupply of certain skill profiles in relation to demand, and that the skills sought by employers are still undersupplied. Also, when jobseekers have the right skill-sets, potential employers seeking to fill jobs may not be able to identify them due to a lack of appropriate matching and job search services or because employers prefer to use their own family and personal networks. The main focus of NEP is on the supply side through skills acquisition and access to finance for potential entrepreneurs. Influencing government policy to create a business friendly environment to attract foreign direct investment is also not part of NEP's mandate, although its assistance to C&H Garments, which now exports "Made in Rwanda" garments around the world may have an indirect impact.

It is therefore concluded that Sida should positively consider an extension of its funding to NEP. However, some progress on implementing the M&E and capacity building recommendations listed below should be a condition of Sida's continued support.

7 Recommendations

7.1 MONITORING AND EVALUATION

- Review existing monitoring and evaluation framework and establish a clear and effective M&E system including output and outcome indicators, and ensure that the system can meet timely data/information requirements by all potential users.
- Design a meaningful and cost-effective data collection system (quarterly reporting rather than monthly) with indicators down to the output level. Linked to this provide a meaningful definition of what constitutes a ‘job created’, so that this essential element of monitoring can be routinely and consistently observed throughout the country. The definition should be consistent with the overall GoR and Sida objectives of reducing poverty, creating sustainable livelihoods and contributing to economic transformation.
- Conduct targeted surveys to review outcomes for specific issues, such as:
 - Follow-up a sample of trainees for Pillar One (including RRT and IBT) to establish the relevance of the training received and the levels of remuneration received post training (is the work gained ‘productive’?), etc.
 - Establish the actual cost of training per trainee and determine whether these represent a cost-effective use of resources across the different training methods such as TVET, RRT and IBT.
 - Follow-up a number of borrowers, with particular emphasis on non-performing loans, to establish the reasons for non-performance, which will then inform the future loan assessment process.
 - Survey a cross section of the financial products available to determine which are the most effective.
- Design consolidated NEP financial statements with consistent budget line descriptions along with corresponding actual expenditure figures, broken down into meaningful subsidiary budget lines such that an analysis of planned and actual expenditure is possible. (At present only a few figures are provided and the narrative description of line items differs from one report, year on year, to another.)
- Define what are monitoring activities and separate them from supervision activities to avoid the monitoring activity getting overlooked and replaced by supervision and follow up, which is a separate task.

7.2 CAPACITY BUILDING

- Ensure that the implementing agencies are fully on-board with an adequate understanding of what results they need to collect, why these are needed, how to collect them and how often, and how to report them. The NEP Secretariat needs to conduct workshops with all stakeholders to discuss how this can be done. The entry-point for M&E is the BDU/E and therefore a lot of attention is required at that level, but the responsibility for reporting should reach down to the sector administrations (which already have their own M&E departments) thereby further decentralising the NEP.
- The NEP Secretariat should undertake an independent Capacity Needs Assessment of its own staff in order to obtain a comprehensive picture of its current capacity with regard to M&E and coordination.

7.3 OTHER AREAS FOR IMPROVEMENT

Improving efficiency

- Bring on-board the lower Local Government structures, in particular Cell and Sector authorities and equip them with the requisite tools to play an active role in the mobilisation of beneficiaries, monitoring and follow-up of programme activities – including possible post-finance follow-up of toolkit and MSMEs beneficiaries, primary data collection and reporting on local programme activities and outcome monitoring (jobs created by each beneficiary's project). The rationale is that Cell executives are closer to beneficiaries' projects and have the basic skills and tools to collect data without additional cost. Sector executives on the other hand have statutory responsibility to supervise SACCOs and could most effectively follow-up the issues affecting programme performance – such as delayed approval and disbursement of loans/grants, ensuring SACCOs' compliance with NEP's contractual provisions (e.g. charging agreed interest rates and grace period on loans), and helping SACCOs to follow-up and ensure that beneficiaries re-pay loans on schedule. Importantly, there is an intrinsic motivation as NEP's programme targets for job creation and enterprise development are also embedded in the District and Sector performance contracts (Imihigo) regarding off-farm job creation.
- Review the partnership and scope of engagement of BDF in NEP to leverage their capabilities at local level to increase the capacity of BDAs and beneficiaries in project design and implementation as well as overall programme performance.
- Strengthen the linkages between implementing institutions by facilitating them to engage with each other and work more productively towards the NEP

results. For this to happen, a mechanism for intra-sectoral dialogue, integration of NEP targets into sectoral/ministerial /institutional priorities and targets, as well providing sufficient overall programme leadership, will be critical. In this respect, NEP should empower the focal points with tools to facilitate intra-institutional dialogue and mainstreaming of NEP targets, including consolidation of sector reports on NEP targets under EDPRS 2.

- A framework for involving other actors or capturing their contribution to NEP objectives is critical to optimising the effectiveness and efficiency of the programme. Undertaking District level mapping of actors involved in vocational training and toolkit provision and ensuring that their programmes are accredited by WDA, should constitute an important activity in rationalising efficiency and establishing real impact in terms of capacity building and job creation.
- Streamline systems and set targets for key activities to avoid delays, especially in approving loans/grants, payment of vouchers to BDAs, and providing feedback on key decision issues.

Pillar One Activities

- There is a need to equip VTC's with state-of-the art modern equipment to enable trainees to learn using the latest technology, thereby enabling them to be competitive on the labour market. There was evidence that trainees were struggling due to obsolete equipment (e.g. old manual sewing machines, welding machines) and those that had skills in using modern machines had a competitive edge. While equipping VTCs may be outside NEP, it is within the mandate of WDA which sanctions all training and provides operational budgets to VTCs.
- There is a need to consider the allocation of administrative and operational costs of the VTC's. Financially the VTC's are already constrained, the additional work of training NEP trainees along with their normal programmes should be sufficiently facilitated by a budget allocation of administrative and operational costs.
- NEP should strengthen the awareness and sensitization campaigns of the programme especially targeting local government authorities from the District level down to the Cell and Village levels, in order to mitigate the low of levels of understanding regarding NEP. It was observed in some Districts that the NEP programme was still in its initial stages.
- There is a need to mitigate the delays in the supply of consumables; these are essential to the smooth running of any training programme.

- Extend the training periods for some trades, for instance carpentry and tailoring where 3 months is considered too short to acquire marketable skills and be ready to compete as a self employed artisan or to gain productive employment
- Links with the private sector need to be continually strengthened and/or renewed, such that the relevance of TVET/VTC training can be assured and so that trainees gain on-the-job experience while also obtaining a certified qualification.
- There is need for further empowerment of toolkit beneficiaries through a short incubation process immediately after the training. This can be done during the period when the business plan is submitted for funding and actual provision of toolkits. The CPCs established in various districts should enable the beneficiaries to access the incubation facilities within their localities.

Pillar Two Activities

- The performance of BDF should be evaluated as an entire entity and at district as well as HQ levels. A proper reporting framework needs to be agreed which should as far as possible mirror BDF's own internal monitoring framework - assuming that this is already adequate? Allowance should be given for BDF to protect information that could be market sensitive, (i.e. if poor loan recovery rates become public knowledge, this may encourage other borrowers to delay their own repayments in the hope that they will not be pursued by the lender.)
- BDAs should be gradually professionalised so that they can be held accountable for their advice to borrowers. (At present, BDAs have no contractual responsibilities, and simply collect vouchers if they perform certain prescribed tasks - 50% on delivery of the business plan and 50% when funding is approved). They should not be involved in the M&E system at the results level as they have a conflict of interest (this should be a Sector Level responsibility).
- Consider a pilot programme to determine whether it would be effective to involve the PSF in mentoring and follow-up of start-up entrepreneurs. This could be done through a call for proposals in which any District level PSF is invited to design a project, perhaps with initial support from an NGO. At the same time, explore alternative means of support through Sectors and Cells and the BDF, so that a comparative analysis can be performed.
- Provide start-up business mentoring and training in business management and bookkeeping. A proper needs assessment should be conducted to decide the skills and competences needed by new entrepreneurs.

- Lastly, consideration could be given to involving the media: TV, radio and social media, in the production of case studies and other news stories which highlight the opportunities supported by NEP and its positive achievements. Alternatively, a focus on enterprise and employment related content presented in a manner that is sufficiently popular to attract high audience levels leading to profitable revenue generation by the media outlet.

Development Outcomes

By the end of this NEP intervention it would be useful to understand its development outcomes and impacts. These should be reflected in NEP's results framework and might include the following indicators for empowerment of women and youth:

- Economic empowerment: increased incomes and financial stability for women and youth, increased control over household consumption by women, increased access to services (e.g. education and health care), and asset creation for both women and youth
- Political empowerment: Increased engagement by women and youth in local political processes due to increased confidence (voice) and their ability to influence developmental outcomes, particularly related to their own entrepreneurship
- Social Empowerment: changes in gender stereotyping and assumptions about the role of youth both inside and outside the home environment

Annex 1 – Evaluation Questions

Relevance:

Is the NEP relevant for poverty reduction efforts in Rwanda, and as such is it able to create “productive employment” with sufficient income enhancement to take beneficiaries out of poverty?

Are the target groups of the NEP, namely women and youth reached by the programme in sufficient numbers?

Is the financial support provided relevant to the needs of the above beneficiaries and is the training according to their needs and the demand of the private sector? Do the beneficiaries require any other forms of support?

Effectiveness:

Are the definitions of expected results on Activity-, Output-, and Outcome-level adequate?

To which extent have pursued results been achieved in general as well as under the instruments selected for this evaluation?

Which direct positive (or negative) results have been achieved among the direct beneficiaries? Are the beneficiaries provided with effective follow-up support to enable them to grow their businesses, e.g. mentoring for marketing and cost control?

What is the effect of this programme on indirect beneficiaries, e.g. BDAs, The BDF, SACCOs and other Financial Institutions, the TVET Schools and the Companies hosting Rapid Results Training?

What is the effect of this programme on indirect beneficiaries, e.g. BDAs, The BDF, SACCOs and other Financial Institutions, the TVET Schools and the Companies hosting Rapid Results Training?

Is the programme effectively monitored by the implementing agencies and by the local government institutions?

Is the M&E information produced by the NEP Secretariat fit for purpose?

Efficiency:

Is the programme structure rationalised so as to maximise the efficiency of implementation. Is the NEP secretariat efficiently supporting implementation / coordination? What is the size of the secretariat and what links does it have at the district / sector level?

Have activities been implemented in a cost-effective manner
Have outputs been generated in an efficient manner?

Is the allocation of resources adequate in light of the actual role of distinct outputs for the achievement of the programme's outcomes?

Do the national level focal points within each implementing agency work well and are there proper linkages between them such that information flows efficiently? How are the district level stakeholders coordinated?

Why is the turnover of BDAs so high, and does this create an inefficient use of resources due to the personnel gaps created and the cost of training new BDAs?

Impact:

Has the NEP resulted in increased income of the direct and indirect beneficiaries? To what extent do jobs created provide a living wage? How are increased incomes invested by the beneficiaries? To what extent can TVET graduates progress to the next step?

How do the different elements within the two pillars support each other for job creation? To what extent do the different parts of NEP link up to each other and is it included in their strategic thinking? To what extent can TVET graduates progress to the next step?

Sustainability:

Which factors promote (or encumber) the sustainability of the NEP?

Which risks (e.g. discontinuation of instruments currently available for the access to micro-finance) and potentials (e.g. growth of start-up companies that came into existence with the help of NEP) are likely to materialise after the termination of the NEP in June 2019? How can the potentials be strengthened and the risks be mitigated?

Annex 2: Preliminary Field Questionnaires

Note: The questions below were adapted in the course of the fieldwork to focus on particular issues as they arose.

Vice-Mayor in charge of Finance

1. What are the district's priorities _Do you have a vision for employment creation?
2. What targets do you have for employment?
3. What specific support does the district provide to SME's
4. What funds do you give to BDU ? is the fund sufficient, and what percentage of your budget?
5. What reports do you receive concerning NEP
6. What are the strengths and weaknesses of NEP? Does it serve your own targets ? Is it sustainable after 2019 ?
7. How do you ensure that women and youth are engaged in employment generation programmes

BDU

1. What is the role of the BDU unit in the NEP program?
2. Do you think the NEP program is appropriate for employment creation and poverty reduction in your district? How?
3. What targets do you have in number of youth and women to be supported?
4. What productive jobs have been created under the NEP programme in your district ?
5. What support do you receive from the NEP secretariat.
6. How supportive is the local govt. the local culture and environment to the establishment of new businesses – can this be improved? Are the necessary inputs available locally for manufacturing – supply chain as well as market information systems.
7. How do you work with BDAs, Sacco's, BDF and other implementing institutions.
8. Why is the BDAs turnover so high? How can it be reduced?
9. How do you plan your future programme in order to anticipate demand for training and lending. What about those trainees from sectors not covered by the 2 x Saccos and how were the SACCOs selected.
10. Do you have a clear strategy to develop the local economy and do you have clear targets for this ? (*including awareness*)

11. What type of information are you correcting in terms of the program implementation? *Can we have a copy? Do you know what happens to all the trainees of the TVET schools.*
12. Where do you see challenges? what are the causes? How can it be mitigated?
13. Are beneficiaries able to access the finance they need, are they able to finance their loans?
14. How do you insure that MFI excluded from NEP are not disadvantaged?
15. How do you see the future of employment creation after the NEP program in 2019?
16. Do you see potential for extending national quality assurance to goods produced by NEP beneficiaries
17. How do you ensure that women and youth are engaged in employment generation programmes
18. Ask for Private Sector Federation office contact – and to arrange a short meetings in order to discuss mentoring and follow-up of start-ups

BDF

1. What is the role of the BDF at the district level under NEP program ?
2. What funds are received over last 3 financial years, and how are these funds utilised? (*Grants, Guarantee? Capital ?*)
3. How do you plan for your future lending demand – where do you collect information from. Do you have any

What type of reports do you have ? Can we have a copy?

4. How do you monitor late repayment? Can we have a report or any documentation on this?
5. What type of follow up do you do for late repayment?
6. What is your opinion on the usefulness of the BDAs and how do you interact with them? Why is the BDA turnover so high? How can it be reduced?
7. What are the major challenges regarding the performance of the beneficiaries and where is the missing link in getting this programme to create employment and to grow the local economy?
8. How can the program be improved?
9. Do you see potential for extending national quality assurance to goods produced by NEP beneficiaries
10. How do you ensure that women and youth are engaged in employment generation programmes
11. Do you support lending to those people ‘accredited’ by WDA rather than coming from the TVET schools.
12. Do you prefer to lend to cooperatives or to individual entrepreneurs? What is your experience of the loan performance to these two groups?

SACCO Managers

1. How do you work with the BDU / BDAs and the BDF.

2. How do you assess the value of the work of the BDAs – what would happen if there are no BDAs Why is the BDA turnover so high? How can it be reduced?
3. How do you assess the value of the work of the BDF – what would happen if there is no BDF?
4. What other MFIs are providing access to finance under the NEP programme, if any?
5. What can be done to enhance the performance of access to finance programmes under NEP and how can this be improved, especially beyond 2019.
6. What levels of late payment and non-performance do you consider acceptable on lending under NEP, what is the average performance for all lending in your SACCO? Does your Sacco currently meet your targets for repayment? What is the repayment performance trend in your SACCO?
7. How many NEP non-performing loans have you claimed the guarantee on and what percentage does the guarantee cover – is this problem increasing or decreasing
8. Has the demand from Youth and Women increased due to the existence of guaranteed lending in your SACCO?
9. What follow-up, if any, do you provide to borrowers. How do you think that follow-up can be best provided – and through what institution?

TVET School Representatives

1. What links do you have with local businesses and how do you integrate the demands of local employers into your training programme.
2. How often do you redesign your training curriculum and what information do you use to develop your curriculum.
3. How are you ensuring that students get practical training from the private sector and is it easy to obtain sufficient placements with the private sector. Does your involvement with NEP facilitate your involvement with the private sector?
4. Do you follow-up the progress of your trainees after they graduate
5. Have you seen an increase in women and youth joining the training since funding was received from NEP
6. What is the impact on your school of the reduced training from 6 to 3 months, as well as the impact on teachers and trainees. How does this Massive Training Programme impact on your existing training programmes.
7. What is the quality of training funded by NEP compared to other training and how much of your total budget is currently provided by NEP. Given the short time how do you ensure that the training quality is not compromised.
8. If the funding from NEP ceases what type of training will you provide.
9. Are your courses supervised by the regional polytechniques. (IPRCs), and does this assist your work and ensure quality improvements?

10. Are your training facilities adequate and relevant to current demand? Are there relevant skills that you cannot offer due to lack of facilities and equipment.

Private Sector Federation Office contact person in District

1. What links do you have with BDUs and TVET schools in the district
2. What do you see as the major constraints facing start-up enterprises in this area
3. How can start-up enterprises be better supported to enable them to survive
4. Do you see a role for your federation in supporting start-up enterprises, if any. Is so, how could your members be facilitated/incentivised to provide this support e.g. tax rebates.

FGD's with BDA's

- How and why did they get involved with NEP?
- What training did they receive and was it useful? What improvements would they suggest?
- How do they find clients to assist?
- What support do they provide?
- How do they interact with SACCOs/MFIs and BDF and BDE/U?
- To what degree do they provide follow up of their clients, and what would motivate them to do this more
- Have any of their clients failed to make loan repayments, and if so why?
- Which clients are most likely to succeed and what factors create the conditions in which success is more likely – what are the characteristic which create success
- How do clients use the toolkits that they receive
- Are there gaps in the training that they receive, such as financial literacy, business promotion and training from local government
- What level in income do they achieve per month and what are their future ambitions?
- Why is the turn-over of BDAs so high? Are there better opportunities for BDAs after they have been trained

FGDs with Beneficiaries who have received training, toolkits and/or guaranteed loans:

- How did they learn about this opportunity?
- What, if any, TVET training did they receive and how did it help them? Have they received any follow-up from their TVET school and if so, was this useful, such as re-fresher training.
- Did they have prior skills / knowledge in their business area and had they run a business of any type previously?
- How well is their current work/business performing and is this improved by the TVET training that they received? How long have they been running their own business
- Did you previously have a bank account.
- Did you get start-up capital from any source other than your SACCO, if so, from where?

- What business support networks do they belong to – formal or informal. What specific support would they like to receive?
- Was the support provided by the BDA satisfactory and what more support would they like to receive from BDAs.
- Have they been supported by their SACCO since they got their loan/grant? How many visits or phone calls have they received.
- How do they market their products and do they receive any assistance with marketing
- What constraints do they currently face and how could these be overcome? Do they feel that they can overcome the constraints that they currently face?
- Has their income increased due to involvement with NEP? Do they earn a living wage now that they are running a business? What family financial responsibilities do you have and does this create a constraint to your loan repayments?
- How do they see their business growing over future years?
- Have the considered looking for employment rather than running their own business.
- What recommendation would they suggest to improve the NEP?

Annex 3: Documentation consulted

Author/ Organisation	Title	Date of Publication
Overarching Documents		
Sida	Strategy for Sweden's development cooperation with Rwanda 2015 – 2019	2014
Sida	Sida's decision on NEP Funding	2013
NEP	National Employment Programme Annual Narrative Progress Report FY 2014/15	2015
NEP	National Employment Programme Annual Narrative Progress Report FY 2015/16	2016
NEP	National Employment Programme Annual Narrative Progress Report Quarter One 2016/17	January 2017
Republic of Rwanda	Design of Five-Year National Employment Programme (NEP) for Rwanda – Final	January, 2014
Republic of Rwanda	2015-16 Consolidated Annual Financial Report of NEP	October, 2016
NEP	National Employment Programme Action Plan FY 2016/17	2016
NEP	Minutes of Steering Committee meetings	various
NEP	Various spread sheets listing beneficiaries, etc.	n/a
NEP	Various spread sheets and word documents with financial data	n/a
Republic of Rwanda	ECONOMIC DEVELOPMENT AND POVERTY REDUCTION STRATEGY 2013 – 2018 – Shaping Our Future	2013
NEP/MIFOTRA	Monitoring and Evaluation Plan	October 2015
Republic of Rwanda/MINECOFIN	Rwanda Vision 2020	July 2000

Annex 4: List of Persons Consulted in Kigali

Field work meetings as per Annex 5

Person	Organisation	Designation
Ngoboka Francois	NEP/MIFOTRA	Programme Manager
Gashagure Martin	NEP/MIFOTRA	NEP Financial Institutions M&E Specialist
Mosonera Abdou	NEP/MIFOTRA	NEP Employability Skills Development M&E Specialist
Soren Bo Poulsen	Sida Funded at NEP	M&E Expert
Elizabet Montgomery	Sida / Swedish Embassy	First Secretary
Adnan Saligo Uwamahoro	Rwanda Development Board Export and Business Development Department	Financial Specialist
Celestin Kabera	Rwanda Development Board Export and Business Development Department	SME Capacity Building Specialist
Germain Niyomutabazi	Ministry of Trade and Industry	Entrepreneurship Development Policy Specialist
Emmanuel Ndayisaba	National Council of Persons with Disabilities	Executive Secretary
Emmanuel Murera	National Council of Persons with Disabilities	Disability Researcher and Mainstreaming Officer
Christine Mukazayire	National Council of Persons with Disabilities	Training and Skills Development
Ellen Kallinowsky	Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	Principle Advisor: Promotion of Economy and Employment
Beate Dippmar	Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	TVET and Skills Advisor: Program Promotion of Economy and Employment
Jasmin Siebold	Deutsche Gesellschaft fur Internationale	Junior Advisor: TVET: Promotion of Economy and

Person	Organisation	Designation
	Zusammenarbeit (GIZ)	Employment
Bonoit Ngabonziza	Ministry of Youth and ICT	Director of Youth Empowerment and Coordination Unit
Alice Nyiranzigiye	Ministry of Youth and ICT	Youth Economic Empowerment Officer
Abdullah Nzabawdora	Workers Development Authority	NEP Coordinator
Jean Pierre Habimana	Ministry of Gender and Family Promotion (MIGEPROF)	Project Monitoring Officer
Innocent Bulindi	Business Development Fund	CEO
Janet Kanyambo	Business Development Fund	Manager NEP
Nkuusi Livingstone	Business Development Fund	NEP Coordinator
Jude Muzale	International Labour Organisation	National Programme Officer

Annex 5: Field Work Schedule

Timeline for the Evaluation Mission in January:

Dates	Activity	Expected Outcome
9 – 10 January	Two days of stakeholder and team meetings in Kigali	Final planning and discussion of issues and constraints
11 – 13 January	Field work (two teams) visiting two districts. Interviews with district officials, MFI and TVET staff, etc.	Interview notes and observations
	FGDs with beneficiaries and BDAs and visits to enterprises funded under NEP	Notes and observations
	Liaison between teams to discuss findings	Iterative learning within team
16 – 20 January	Field work (two teams) visiting four districts. Interviews with district officials, MFI and TVET staff, etc.	Interview notes and observations
	FGDs with beneficiaries and BDAs and visits to enterprises funded under NEP	Notes and observations
	Liaison between teams to discuss findings and discussions with The Embassy / NEP	Iterative learning within team
23- 27 January	One additional day of site visits to Cooperatives, Rapid Response Training and Industrial Training sites as well as team meetings.	Further observation and testing of findings. Developing recommendation, etc.
	Preparation and presentation of draft findings to The Embassy and NEP personnel, etc. Presentation Meeting proposed from 14.00 to 16.00 on Thursday 26 th	Feedback from stakeholders
February 10th	Delivery of Draft Final Report	
February 24th	Receipt of Comments from Stakeholders	
March 3rd	Submission of Final Report	

Detailed Programme

Kigali	Monday 9/Jan/2017	9:00-5:00	Team Meeting Meeting with NEP Secretariat / The Embassy
Kigali	Tuesday 10/Jan/2017	9:00-5:00	Stakeholder Meetings – to be arranged including ILO

For Field Work the 4 consultants spilt into two teams as follows:

TEAM 1 (first week)

District	Day/Date	Time	Respondents Category
Gatsibo	Wednesday 11/Jan/2017	2:00-3:00	Vice-Mayor in charge of Finance and Economic Development/BDE Unit Director
		3:10-3:45	BDF Manager (1)
		4:00-5:00	SACCO Managers (2)
	Thursday 12/Jan/2017	8:00-10:00	Focus Group Discussions with BDAs (10)
		11:00-1:00	Focus Group Discussions with Owners of Micro enterprises Projects (10)
		2:00-4:00	Site Visits of Selected Micro enterprises Projects
	Friday 13/Jan/2017	9:00-11:00	Visits to 1 TVET Institution and 1 Cooperative or Industrial training institution
		11:00-1:00	

TEAM 2 (First Week)

District	Day/Date	Time	Respondents Category
Rubavu	Wednesday 11/Jan/2017	2:00-3:00	Vice-Mayor in charge of Finance and Economic Development/BDE Unit Director
		3:10-3:45	BDF Manager (1)
		4:00-5:00	SACCO Managers (2)
	Thursday 12/Jan/2017	8:00-10:00	Focus Group Discussions with BDAs (10)
		11:00-1:00	Focus Group Discussions with Owners of Micro enterprises Projects (10)
		2:00-4:00	Site Visits of Selected Micro enterprises Projects
	Friday 13/Jan/2017	9:00-11:00	Visits to 1 TVET Institution and 1 Cooperative or Industrial training institution
		11:1:00	

TEAM 1 (Second Week)

District	Day/Date	Time	Respondents Category
Musanze	MONDAY 16/Jan/2017	2:00-3:00	Vice-Mayor in charge of Finance and Economic Development/BDE Unit Director
		3:10-3:45	BDF Manager (1)

	Tuesday 17/Jan/2017	4:00-5:00	SACCO Managers (2)
		8:00-10:00	Focus Group Discussions with BDAs (10)
		11:00-1:00	Focus Group Discussions with Owners of Micro enterprises Projects (10)
		2:00-4:00	Site Visits of Selected Micro enterprises Projects
	Wednesday 18/Jan/2017	9:00-1:00	Visits to TVET Institution and cooperative or industrial training site
Nyarugenge	Thursday 19/Jan/2017	9:00-10:00	Vice-Mayor in charge of Finance and Economic Development/BDE Unit Director
		10:15-11:15	BDF Manager (1)
		11:15- 12:30	SACCO Managers (2)
		2:00-4:00	Focus Group Discussions with BDAs (10)
	Friday 20/Jan/2017	9:00-11:00	Visits to 1 TVET Institution
		11:00-1:00	Visits to C&H Garment Factory (RRT)
		2:00-3:00	Visits to NPD CONTRACO (RRT)

Team 2 (Second Week)

District	Day/Date	Time	Respondents Category
Gisagara	Monday 16/Jan/2017	2:00-3:00	Vice-Mayor in charge of Finance and Economic Development/BDE Unit Director
		3:10-3:45	BDF Manager (1)
		4:00-5:00	SACCO Managers (2)
	Tuesday 17/Jan/2017	8:00-10:00	Focus Group Discussions with BDAs (10)
		11:00-1:00	Focus Group Discussions with Owners of Micro enterprises Projects (10)
		2:00-4:00	Site Visits to cooperatives
	Wednesday 18/Jan/2017	9:00-11:00	Visits to 1 TVET Institution and one cooperative or RRT/Industrial Training site
		11:00-1:00	
Muhanga	Thursday 19/Jan/2017	9:00-10:00	Vice-Mayor in charge of Finance and Economic Development/BDE Unit Director
		11:00-12:00	BDF Manager (1)
		1:00- 2:00	SACCO Managers (2)
		2:30-4:00	Focus Group Discussions with BDAs (10)
	Friday 20/Jan/2017	8:00-10:00	Site Visits to Cooperative (NEP to advise)
		11:00-1:00	Visits to C&H Garment Factory (RRT)
		2:00-3:00	Visits to NPD CONTRACO (RRT)

Entire Team – Third Week

Kigali	Monday 23/Jan/2017		Site Visits to Selected Micro Business Projects (NEP to advise)
Kigali	Tuesday 24/Jan/2017		Team meetings and review of findings
Kigali	Wednesday 24/Jan/2017		Preparation of presentation
Kigali	Thursday 26/Jan/2017	2:00-4:00	NEP Secretariat/ The Embassy Preliminary Presentation of Findings
Kigali	Friday 26/Jan/2017	9:00-12:00	Final meetings and discussion of Final Report , etc.

Vice-Mayors in charge of Finance and Economic Development

District	Vice-Mayor's Name	Contact details
Gatsibo	Manzi Théogene	0788838304
Rubavu	Murenzi Janvier	0788473549
Musanze	Ndabereye Augustin	0788471491
Gisagara	Hanganimana Jean Paul	0788842221
Muhanga	Kayiranga Innocent	0788635553
Nyarugenge	Nsabimana Vedaste	0788861836

BDE/UNIT STAFF

District	BDE/Unit Employment & Start- up Development Officers	Contact details
Gatsibo	Vestine uwamariya	0788418132
	MUREKATETE SYLVIA	0788288773
Rubavu	Papias NDIBESHYE	0788405548
	Devota TWIZERIMANA	0788478941
Musanze	MUHIZI J. Nepomuscene	0788770899
	BARAHIRA Bertin	0788877592
Gisagara	NYILIMANZI GAKWANDI Vincent	0788467763
	MINANI Jacques	0788551318
Muhanga	MUREKEZI KARANGWA Gaspard	0788800425
	Marie GIKUNDIRO	0781181371
Nyarugenge	Idrissa NKURUNZIZA	0788300181
	Providence MUKAYIRANGA	0788263567

BUSINESS DEVELOPMENT FUND (BDF) MANAGERS AT DISTRICT LEVEL

District	BDF Managers Names	Contact details
Gatsibo	Mediatrice NIWEMFURA UFITINEMA	0788226030
Rubavu	NKURIKIYUMUKIZA	0788856533

	APHRODIS	
Musanze	Mutabazi Samuel	078883976
Gisagara	uwiduhaye Marie Louise	0783215777
Muhanga	MURIGANDE FELIX	0788591036
Nyarugenge	Doreen Gashuga	0785277106

SACCO MANAGERS AT SECTOR/UMURENGE LEVEL

District	SACCO Name	Contact details
Gatsibo	Sector: Ngarama Isunge SACCO	0788495517
	Sector: Kiziguro Isonga SACCO	0783282531
Rubavu	Sector: Koperative Intarutwa SACCO Rugerero	0788788799
	Sector: inkeragutabara SACCO Rubavu (ISARU)	0788829089
Musanze	Sector: Gataraga Twibumbe SACCO	0788416506
	Sector:Umusingi Rwaza SACCO	0788557471
Gisagara	Sector: Terimbere Kibirizi SACCO	0783160123
	Sector: SACCO Izere Gikonko	0783466647
Muhanga	Sector: ICYEREKEZO Kiyumba SACCO	0783427619
	Sector: SACCO Dukire/Wisigara Nyarusange	0788416692
Nyarugenge	Sector:SACCO Rwezamenyo	0788548241
	Sector:Icyizere SACCO Mageragere	0788699415

BDAs and SMEs supported by them to access finance

District		BDA Name	Sector	Contact
Rubavu	Business Development Advisors			
	1	BIZIMANA Joseph	BUGESHI	0787840770
	2	MUSABYIMANA Moussa Mustafa	BUSASAMA NA	0788219455
	3	NZASENGA Adeline	CYANZAR WE	0788961859
	4	BIZOZA J.Claude	GISENYI	0788602844
	5	TURIMUMAHORO Felix	KANZENZE	0788877346
	6	MUKESHIMANA Louise	NYUNDO	0783268705
	7	NDAGIJIMANA Dieudonné	RUGERERO	0784808105
	8	KABOTA Emerance	RUBAVU	0784339992
	9	MUNEZERO Gilbert	NYAMYUM BA	0781686145
	10	MUHIRE Patrick	Nyakiriba	0787409993
	SMEs supported by BDAs and accessed finance			

	1	HAKIZIMANA Patrick	Busasamana	0785727596
	2	UWERA Domitile	Gisenyi	0784167107
	3	MUKAMURENZI Honorine	Nyamyumba	788947268
	4	BENIMANA	Rugerero	0783571791
	5	MUKANEZA Françoise	Gisenyi	0784533568
Gatsibo	Business Development Advisors			
	1	TWAGIRAMARIYA ILLIMINEE	NGARAMA	782346693
	2	KALISA FAUSTIN	RUGARAM A	783676060
	3	MUTANGANA HENRY	KIZIGURO	788891948
	4	YAMURAGIYE ALPHONSINE	NYAGIHAN GA	785454358
	5	AYINKAMIYE MADELEINE	KAGEYO	785069188
	6	MUGWANEZA CHARLOTTE	GITOKI	788605467
	7	KAREGEYA THEOPHILE	MURAMBI	783349573
	8	MUKABARANGA DAPHROSE	KIRAMURU ZI	788646083
	9	NCUTI CLEMENT	GATSIBO	785234613
	10	Batamuriza BETTY	RWIMBOG O	781538007
	SMEs supported by BDAs and accessed finance			
	1	MUHIGIRWA THEONESTE/akora inkweto	NGARAMA	783320593
	2	COOP EJOHEZA/Ababaji	KAGEYO	786411115
	3	RUGWIZANINGABO/U mubaji	KIZIGURO	723630951
	4	Habumugisha Emmanuel/Bar	Murambi	873349573/bda
	5	UMUHOZA ZAINAB/Restaurent	KIRAMURU ZI	727163257
Musanze	Business Development Advisors			
	1	Shyirakera Damascene	Kimonyi	784755664
	2	Uwumukiza Annociata	Cyuve	788518238
	3	Ndagijimana Olivier	Gataraga	785217578
	4	Dusabimana Jacques	Kinigi	784480191
	5	Mujawayezu Vestine	Shingiro	784757535
	6	Iyoze Janvier	Nyange	783455922

	7	Nshimiyimana Fidele	Busogo	788963230
	8	Rutaburabura Alexis	Muhoza	783207181
	9	Habiyaremye Jean de la Croix	Musanze	785012779
	10	Mbitezimana Eugene	Muko	783678077
	SMEs supported by BDAs and accessed finance			
	1	Sebakamyi	Kimonyi	783147210
	2	Mukamana Dalie	Nyange	783607463
	3	Munyanziza Leonard	Shingiro	786800516
	4	Nyirabagenzi Claudine	Kinigi	787591079
	5	Bizimana Jean Damascene	Busogo	785522042
Nyarugenge	Business Development Advisors			
	1	MUKATUYISENGE Faina	KANYINYA	783473089
	2	MUKANGANGO Hadidja	NYARUGE NGE	782136149
	3	REMERGA Gaetan	NYARUGE NGE	783218367
	4	MVUYEKURE Eliab Frank	GITEGA	783638693
	5	NSHIMIYIMANA Pierre	RWEZAME NYO	788876066
	6	UWABINEZA Noella	KIMISAGARA	783071544
	7	BENIMANA Faustin	KIGALI	788555274
	8	UWAMARIYA Esperence	MAGERAGERE	722929443
	9	MUGEMANA Jean de Dieu	KIMISAGARA	785650939
	10	UWIMANA Marguerite	MUHIMA	0788215390
	SMEs supported by BDAs and accessed finance			
	1	MUKANTABANA Epiphanie	Gitega	0783161139/0789943237
	2	UWABEGA M.Goreth	Muhima	0785110990
	3	NIYOMUFASHA Michel	Kimisagara	0788866079
	4	RUTWAZA Faustin	Kigali	0788777424
	5	KANSHOZA Rehema	Rwezamenyo	0782801503
Gisagara	Business Development Advisors			
	1	NYIRABIRORI JOSEPHINE	GIKONKO	0783184783
	2	NGABONZIZA DESIRE	KANSI	0783627052
	3	NZAMWITAKUZE EUGENE	KIBIRIZI	0783347595

	4	MUTETERI DELPHINE	KIGEMBE	0728791932
	5	NSHIMIYIMANA MARCEL	MAMBA	0788890025
	6	NSABIMANA DIOGENE	MUGANZA	0788477501
	7	MUKAMUGEMA ESTHER	MUSHA	0783100803
	8	KUBWIMANA JEAN PIERRE	SAVE	0788597302
	9	IRADUKUNDA CHARLES	NDORA	0785980567
	10	NZEYIMANA FRANCOIS	NYANZA	0786917553
	SMEs supported by BDAs and accessed finance			
	1	MBARUBUKEYE MATHIAS	MUGANZA	0788369279
	2	KAMBANDA JEAN DE DIEU	NYANZA	0783492615
	3	INGABIRE JOSELYNE	NDORA	0722416181
	4	ITSINDA ABADAHUMUKA KODUAGI	NDORA	0782323525
	5	NSHIMIYIMANA Theogene	KIBIRIZI	0784745888
Muhanga	Business Development Advisors			
	1	HARERIMANA Desire	SHYOGWE	0788841705
	2	SEZIBERA Damascene	MUHANGA	0722308190
	3	KUBWIMANA Eric	MUSHISHIRO	0722061035
	4	UMUHOZA Marie Grace	KIYUMBA	0728080730
	5	DUKUZEMARIYA Immaculee	NYAMABUYE	0728519 89
	6	YANKURIJE Beata	NYARUSANGE	0727455991
	7	MBONYINTUMWA Anatole	RUGENDABALI	0788841577
	8	HAKUZIMANZ Emilien	NYAMABUYE	0722007842
	9	ISHIMWE Emmerance	CYEZA	0728545498
	10	MFITUMUREMYI J de la Croix	KIBANGU	0728027055
	SMEs supported by BDAs and accessed finance			
	1	BOGERE Louise	SHYOGWE	0783281007
	2	HABAMENSHI Philippe	MUHANGA	0783520758

	3	MUDACYEMWA Schadrack	MUSHISHIR O	0725475842
	4	NIYITEGEKA J Damascene	KIYUMBA	0782282348
	5	KABERA Isaie	NYAMABU YE	0783581708

MSMEs supported to access finance through BDF guarantee/Grant

District		Name of business promotor	Type of business	sector	Contact	Service
GATSIBO	1	KOMEZA VINCENT	RETAIL SHOP (ELECTRONI CS)	KABARO RE	782519234	Guarantee
	2	MUKUNDIRE HE COLETTE	STATIONAR Y(BOOKSHO P)	KIRAMUL UZI	788452816	Guarantee
	3	BUKIBARUT A DIEUDONNE	MOTORIST	MUHURA	788393460	Guarantee
	4	ITSINDA BERWA	TAILORING	KIZIGUR O	787903772	Grant
	5	NGAYABER URA THEOGENE	CAPENTRY	KIZIGUR O	789646497	Grant
RUBAVU	1	Coop. KOADU	Modern Butchery	Rubavu	0788742802 /078848519 4	Guarantee
	2	coop.KOMER A Rugerero	handcrafts	Rugerero	784656128	Guarantee
	3	Uwiringiyiman a Jean de Dieu	electronic materials shop	Gisenyi	788224778	Guarantee
	4	Bikorimana Eric	Welding	Rugerero	785512728	Grant
	5	Dusengimana Frodouard	Welding	Rugerero	788857413	Grant
MUSANZE	1	UWINEZA Patrick	Radio	Muhoza	788566175	Guarantee
	2	Amahoro Energy Ltd	Power plant	Muhoza	788307417	Guarantee
	3	HAKIRUWIZ ERA Selverien	Hair Salon	Muhoza	788822551	Guarantee

	4	IYAMUMPA YE Evelyne	Hair Salon	Muhoza	784913514	Grant
	5	GASASIRA Donat	Carpentry	Gacaca	789595553	Grant
NYARUGENGE	1	Gahongayire Jean Bosco	Transport (Tourist Cars)	Transport	788352524	Guarantee
	2	Niyigena Jean D'amour	Boutique	Commerce	784140584	Guarantee
	3	Viateur	Transport (Moto)	Transport	781000028	Guarantee
	4	Mukansonera Solange	Restaurant	Commerce	788770939	Grant
	5	Niyongira Festus	Restaurant	Commerce	788666582	Grant
GISAGARA	1	Kumbwimana Jean Pierre	Hardware project	Save	788597302	Guarantee
	2	Twumviriyinu mwa Console	Transport project	Mugombwa	784954922	Guarantee
	3	Nyiransabimana Chantal	Restaurant Project	Muganza	783128659	Guarantee
	4	Ndayisaba noel	Photo shoot and Vidio	Kansi	781142297	Grant
	5	Iremizi Jeanette	Supplier of Beans and others	ngoma	785123624	Grant
MUHANGA	1	Mukanyandwi Eugenie	Arts and Craft	Cyeza	783135489	Guarantee
	2	Kanyanziza Emmanuel	Mini- Shop	Nyarusange	788416692	Guarantee
	3	Nsimiyaremye Jean de Dieu	Commerce	Mushishiro	78671346	Guarantee
	4	Iribagiza Jacqueline	Saloon	Nyamabuye	785005292	Grant
	5	Nikombabonye Belantila	Tailoring	Kiyumba	783427619	Grant

TVET INSTITUTIONS to be visited during field missions

District	Training Institution		Sector	Trades provided	Contact
Gatsibo	Gakon		Kiramuruzi	Tailoring, Masonry, Carpentry, Welding and Weather craft	788955896

Rubavu	ETAG		Gisenyi	Motor Vehicle Mechanics	788305940
Musanze	Musanze Polytechnic		Nkotsi	Domestic Electricity, Masonry, Carpentry, Plumbing, Culinary, Food & Beverage services	788305707
Gisagara	Muhanga		Gikonko	Carpentry	788420170
Muhanga	Mugusa		Mushishiro	Tailoring, Mechanical and Electrical	788419757

No training institution in Nyarugenge

Annex 6: Terms of Reference for MTE

Terms of Reference for the Mid-Term Evaluation of the National Employment Programme (NEP), Rwanda

Date: September 2016

Background National Employment Programme (NEP)

The Government of Rwanda provides, through the National Employment Programme (NEP), a medium and long term framework for achieving the country's long-term development aspirations as embodied in Rwanda Vision 2020, the Second Economic Development and Poverty Reduction Strategy (EDPRS II), and the seven year Government of Rwanda (GoR) programme (2010-2017) in order to achieve sustainable economic growth and social development. The EDPRS II recognizes the important role of employment for economic development and poverty reduction and, accordingly, calls for "200,000 [off-farm] jobs to be created each year" to meet the employment needs of the labour force, induced by demographic trends and the growing youth share of the working age population which constitute 70% of the working age population (according to the 2012 census).

National Employment Program was approved by the Cabinet of 15th December 2015 and is being implemented in all implementing agencies and Districts.

The challenge of employment promotion in Rwanda in the context of the NEP consists of three key observations: first, the *private sector* will have the major responsibility for creating almost all of the additional jobs; second, the low *skill and productivity* levels of the majority of the labour force represent an important constraint on employment promotion that needs to be addressed as a priority; and third, the need for appropriate *labour market interventions* by Government in collaboration with the private sector and other stakeholders to improve the efficiency of the functioning of labour markets with respect to matching skills with jobs and support vulnerable groups for income generating activities. Based on the employment challenge, strategic policy and programme interventions proposed within the framework of the NEP for achieving its objectives, goals and targets is organised and grouped under the following *four main pillars*:

5. Skills development for improved employability
6. Entrepreneurship and Business Development
7. Labour Market Interventions
8. Coordination and Monitoring & Evaluation

The mid-term evaluation which is subject to this Terms of Reference, is suggested to focus on the core activities of NEP organized under Pillar I and II:

Pillar I - Skills Development for Improved Employability

The lead Ministry for this pillar is the Ministry of Education (MINEDUC) through its Work Force Development Agency (WDA). The responsible Government bodies responsible for the implementation of the various NEP instruments under Pillar I are:

- Workforce Development Authority (WDA), which operates under MINEDUC
- National Capacity Building Secretariat (NCBS)

The main NEP instruments under Pillar I are:

- Rapid Responsive Training (RRT), which is actually an in-company training of job seekers prior to their employment; not internship/apprenticeship?
- Massive Vocational Training, i.e. vocational short-term courses;
- Recognition of Prior Learning of craftsmen and artisans;
- Apprenticeship and other forms of industry-based trainings
- Support for Sector Skills Councils.

In FY 2015/16²⁹ Pillar I has absorbed almost one third of NEP resources. The NEP Secretariat has proposed that the mid-term evaluation will focus on the NEP instrument RRT (cf. Chapter 4).

Pillar II – Entrepreneurship Development, Access to Finance and Technology

The lead Ministry for this pillar is the Ministry of Trade and Industry (MINICOM). The responsible bodies responsible for the implementation of the various NEP instruments under Pillar II are:

- MINICOM
- Business Development Fund (BDF)
- National Council for People with Disabilities (NCPD)
- Ministry of Youth and ICT, and
- National Industrial Research and Development Agency (NIRDA)

The main NEP instruments under Pillar II are:

- Coach start-up MSMEs to develop bankable projects by proximity Business Development Advisors (BDA) using vouchers
- Provide start-up toolkits to the apprentices and short-term vocational training graduates for self-employment
- Facilitate acquisition of start-up loans to selected disadvantaged groups of youth and women and persons with disabilities for self-employment

²⁹ FY run from 1st of July until 30th of June. Since FY 2014/15 was mainly used for the design of instruments, FY 2015/16 is the first year of NEP in which the various instruments have been fully implemented.

- Start-up and early growth investments in businesses through quasi equity
- MSMEs and start-ups supported to access finance through guarantees and grants
- Skills and equipment needs assessments in Integrated Craft Production Centres (ICPC) and support them to acquire modern equipment and to upgrade skills
- Support to Community Processing Centres (CPC)

In FY 2015/16³⁰ Pillar II has absorbed almost two thirds of NEP resources. The NEP Secretariat has proposed that the mid-term evaluation will focus on the Pillar II NEP instruments:

- Coach MSMEs to develop bankable micro business projects through Business Development Advisors (BDA), and
- Support to MSME through the direct guarantee scheme and the grant scheme.

NEP Secretariat in the Ministry of Public Service and Labour (MIFOTRA)

The key role in the programme coordination is designated to the NEP Secretariat, which operates within the structure of the MIFOTRA. The Secretariat is consisted by a team of the following specialists:

- Program Manager
- Entrepreneurship and Business Development M&E Specialist
- Employability and Skills Development M&E Specialist
- Labour Export and Skills Exchange Specialist
- Financial Management Specialist

The NEP Secretariat is the main technical framework for coordinating and monitoring NEP planning and implementation process.

Purpose of the Mid-Term Evaluation

The purpose of the mid-term evaluation is to inform key stakeholders, i.e. the Government of Rwanda (MIFOTRA and all other implementing ministries and institutions), and Development partners (Sida, AfDB, GiZ and others), about the achievements of results on activity-, output- and on outcome-level. The evaluation will also inform the broader sector working group on private sector development and youth employment on the effectiveness of the key activities in achieving the targets set for the sector. The evaluation is included as a priority study for this financial year.

³⁰ FY run from 1st of July until 30th of June. Since FY 2014/15 was mainly used for the design of instruments, FY 2015/16 is the first year of NEP in which the various instruments have been fully implemented.

Furthermore, the mid-term evaluation will allow for a better understanding of cause-effect relationships between pursued results on all three aforementioned levels, and thus facilitate an evidence-based discussion and consultations on the way forward. In assessing the results of NEP and the underlying cause-effect relationships, the findings and recommendations of the mid-term evaluation report can guide resource allocation to the NEP regarding the use of funds that are allocated for the creation of employment opportunities. More specifically, the evaluation will provide guidance to current and prospective funders regarding allocation of future resources. The findings are expected to guide the Government of Rwanda on the use of its own government funding and feed into Sida's decision regarding extending the funding beyond the agreed FY 2016/17. This mid-term evaluation of NEP is procured and financed by Sida.

Since the NEP has been implemented for two (out of a total of five) fiscal years only, a robust mid-term evaluation of its impact is not yet possible at this point in time. However, the mid-term evaluation team is requested to report an indicative assessment of the impact of NEP.

Evaluation Questions

The evaluation questions are to be developed in full scope by the Consultant based on the conceptual framework of this evaluation. According to international best practice, it is expected that the Consultant will develop an evaluation matrix during the Inception Phase. This matrix will need to show linkages between expected results and anticipated cause-effect relationships on the one side, and the evaluation criteria and detailed evaluation questions on the other side.

The evaluation questions will follow the five standard evaluation criteria, namely relevance, effectiveness, efficiency, impact and sustainability. They include without being limited to:

Relevance

- Are the various NEP interventions relevant for the target groups of the NEP, namely women and youth in Rwanda?
- Is the NEP relevant for the poverty reduction and employment promotion policy of the Government of Rwanda?
- Is the NEP relevant for the Sida's national development cooperation strategy and planning?
- Is the NEP relevant for poverty reduction efforts in Rwanda?

Effectiveness

- Are the definitions of expected results on Activity-, Output-, and Outcome-level adequate?
- To which extent have pursued results been achieved under the instruments selected for this evaluation ?
- To what extent have the target groups been reached?
- Which direct positive (or negative) results have been achieved among the
 - direct beneficiaries?
 - indirect beneficiaries?
- Which factors have promoted (or encumbered or even prevented) the achievement of results?

Efficiency

Under the headline efficiency, the Consultant will analyse the production and the allocation efficiency of the NEP. The following evaluation questions will guide the evaluation team:

- Have activities been implemented in a cost-effective manner?
- Have outputs been generated in an efficient manner?
- Is the allocation of resources adequate in light of the actual role of distinct outputs for the achievement of the programme's outcomes.
- Are the NEP production costs in line with similar programmes in the country and/or in the region?
- Could the implementation of NEP be done in a more cost-effective manner?
- If so, where and how?
- Does the management structure and processes of NEP support its cost-effective implementation?

Impact

Since the implementation of the 5-year NEP has only started two years ago, the impact of the programme cannot yet be evaluated in a robust manner. However, the evaluation team is requested to indicatively address the following questions:

- Has the NEP resulted in increased income of the direct and indirect beneficiaries? To which extent?
- Are the improved income situations of direct and indirect beneficiaries effectively contributing to poverty reduction or are the gains too small to vaccinate the target groups from a backslide into poverty?
- Which interventions under which NEP pillar are likely to produce the most significant impacts?

Sustainability

- How is the sustainability of the NEP interpreted?
- How probable is it that the positive changes and results on the level of beneficiaries are sustainable?
- Which factors promote (or encumber) the sustainability of the NEP?
- Which risks (e.g. discontinuation of instruments currently available for the access to micro-finance) and potentials (e.g. growth of start-up companies that came into existence with the help of NEP) are likely to materialise after the termination of the NEP in June 2019? How can the potentials be strengthened and the risks be mitigated?

Delimitations

The evaluation will cover the period from July 1, 2014 until September 30, 2016. Since the full evaluation of all NEP instruments will not be feasible with the resources provided under this assignment, the Consultant is asked to focus on the following NEP interventions:

- Rapid Responsive Training (RRT) under Pillar I
- Coach MSMEs to develop bankable micro business projects through Business Development Advisors (BDA) under Pillar II
- Support to MSME through the direct guarantee scheme and the grant scheme under Pillar II

Other NEP facilities, which are not in the focus of the evaluation, will be briefly reviewed or assessed through desk studies in order to get a holistic assessment overview and for a comparison between instruments.

The rationale for the selection of the three NEP instruments is that the selected instruments:

- Are designed to reach a large number of beneficiaries,
- Are expected to achieve results on outcome and on impact level within the lifetime of the NEP,
- Are consuming a large part of the overall NEP budget.

The Consultant will come up with a methodologically well grounded proposal on how to randomly select primary data. Otherwise, the focus of the mid-term evaluation will be without geographic limitations.

Approach and Methodology

5.1 Approach

The evaluation of the NEP will be organised in three phases: preparation-, implementation- and reporting phase.

Preparation Phase

During the preparation phase, the evaluation team will implement the following assignments:

- Kick-off meetings with high technical level meetings with Permanent Secretaries and Heads of Institutions, Sida and the NEP Management for the clarification of the assignment.
- Analyses of NEP related documents, e.g. annual and quarterly NEP reports.
- Preparatory interviews with selected representatives of financing institutions, and with NEP Secretariat.
- Analyses of processes and NEP implementing organisations.
- Drafting, editing and finalisation of the inception report. The inception report shall outline: the focus of evaluation; the evaluation design and analytical framework (including evaluation matrix and questions); and the methodological approach. Furthermore, the evaluation report will present the table of contents of the main evaluation report and will inform on the drawing of samples.

Implementation Phase

During the implementation phase, the evaluation team will mainly collect primary (and additional secondary) data as follows:

- Interviews with beneficiaries, including
 - Randomly selected direct beneficiaries of all NEP intervention schemes,
 - Randomly selected indirect beneficiaries, e.g. suppliers of beneficiary micro- and small enterprises,
- Interviews with training providers, including randomly selected
 - Companies who provided training under the Rapid Responsive Training (RRT) scheme,
 - Vocational training centres and other training providers who offered training under the massive vocational training scheme (MVT);

- Companies who implemented so-called “industry-based training “(IBT) courses;
- Interviews with randomly selected
 - Business Development Advisors (BDAs) who provided technical assistance for the development of bankable business plans, and with
 - financing institutions, especially Savings- and Credit Co-operatives (SACCOs)
- Interviews with responsible relevant officials from implementing institutions, including selected representatives from 30 Business Development and Employment Units (BDEUs) on district level.

At the end of the implementation phase, the evaluation team shall present the draft findings and the recommendations of the evaluation at a workshop bringing together the High Level Technical Committee of Permanent Secretaries, Heads of Central Implementing Institutions, Sida Representatives as well as identified members of the Sector Working Group on Private Sector Development and Youth Employment. The evaluation team shall facilitate the discussions at this workshop and will in addition to the main evaluation report, summarise the discussions in a separate report.

Reporting Phase

The main task during the reporting phase is the elaboration of the evaluation report. The reporting will be conducted in two steps:

1. The draft evaluation report is to be submitted to MIFOTRA with a copy to Sida. MIFOTRA will in its capacity as the lead Ministry coordinate the process of collecting comments from implementing institutions and a deadline will be agreed upon to receive comments from them.
2. The final evaluation report will be submitted after the draft report has been circulated, comments considered and incorporated.

5.2 Methodology

In order to have all evaluation questions answered, it is recommended to use a mix of quantitative and qualitative data collection methods. This will include the collection of primary and secondary data.

The methodological approach to be elaborated by the evaluation team in the technical proposal in more detail will consider the triangulation approach which includes:

- *Data triangulation:* involves time, space, and persons
- *Investigator triangulation:* involves multiple researchers in an investigation
- *Theory triangulation:* involves using more than one theoretical scheme in the interpretation of the phenomenon
- *Methodological triangulation:* involves using more than one method to gather data, such as interviews, observations, questionnaires, and documents.

The evaluation will follow best practice standards, namely the OECD-DAC evaluation quality standards, and the Sida standards.

It is expected that stakeholders, namely the NEP implementing institutions (cf. sub-chapter 5.1.2) are involved during the evaluation process. They will contribute to the evaluation exercise through the provision of secondary data and access to all relevant

information. Meetings with the NEP implementing institutions will be facilitated by the NEP Secretariat.

Evaluators are asked to elaborate in more details, how different stakeholder groups are to participate in and contribute to the evaluation process, reporting and dissemination phases of the evaluation.

Time Schedule, Reporting and Communication

The evaluation should commence 1st of December 2016 and be completed by 15th of March 2017 following the suggested timeframe:

Task	Dates and deadlines
Preparation phase including travel to Rwanda by international experts	1-31 December
Inception report submitted	14 December
Inception report approved by NEP and Sida	30 December
Implementation phase including travel to Rwanda by international expert	1 January-31 January
Reporting phase	1 February-15 March
Draft evaluation report submitted	5 February
Comments and input from stakeholders coordinated and provided	17 February
Final report	28 February

The Consultant shall, upon approval of the final report, insert the report into the Sida template for decentralised evaluations and submit it to Sida's consultant responsible for Sida's graphic profile (currently Citrus) for publication and release in the Sida publication data base.

Resources

The budget for the evaluation, including fees and reimbursables shall not exceed SEK 1,2 million.

The NEP Secretariat together with key institutions will assist the evaluation team in collecting relevant documents and data as well as coordinating meetings, interviews and workshops and coordinating comments to the draft report.

Evaluation Team Qualification

The evaluation team must be led by a core team member as specified in Sida's framework agreement for evaluation services.

The evaluation team must possess working experience from employment and/or private sector development programmes in development cooperation.

The evaluation team should include knowledge of the local environment and good working knowledge of Kinyarwanda as some of the NEP documentation is only available in the local language and the communication with the NEP beneficiaries will need to be in Kinyarwanda.

The evaluators must be independent of the evaluated activities and have no stake in the outcome of the evaluation.

Appendices

- NEP Program Document
- Annual Report FY 2015/16 and FY2014/15
- Results framework
- Progress reports
- Operational plan and budget



Mid-Term Evaluation of the National Employment Programme, Rwanda

This Mid-Term Evaluation has focused on the core activities under Pillar I and II of the National Employment Programme (NEP) in Rwanda. The evaluation covers the period from July 1, 2014 to September 30, 2016. The evaluation was planned and implemented in a transparent and participatory manner respecting stakeholders' views while ensuring the independence of the evaluation consultants, according to OECD/DAC quality standards. The evaluation applied the DAC criteria for evaluating development assistance: relevance, efficiency, effectiveness, impact and sustainability.

Some of the major findings are: The NEP is effectively aligned to "Rwanda's Vision 2020" and the Economic Development and Poverty Reduction Strategy (EDPRS 2) 2013-2018. NEP is relevant in that it addresses high unemployment and poverty among the youth and women groups. Beneficiaries are, however, mostly urban- and peri-urban based. In general, the outputs generated by the programme and the processes through which they are generated are efficient. However, the level of efficiency varies from output to output. In terms of job creation, establishing a framework for reliably estimating the number of jobs actually created or the actual extent to which NEP is influential in achieving job creation, is acknowledged to be very challenging and resource intensive. There is no monitoring beyond the activity level, so actual achievements cannot be comprehensively understood or publicised.

It is concluded that Sida should positively consider an extension of its funding to NEP. However, some progress on implementing the M&E and capacity building recommendations should be a condition of Sida's continued support.