



**MIFOTRA**



**Belgium**  
partner in development

**LUXEMBOURG**  
AID & DEVELOPMENT



ILO Flagship Programme on Building Social Protection Floors for All – Rwanda component

## TERMS OF REFERENCE

### **National consultant: Rapid Labour Market Diagnostic Analysis in support of the development of an unemployment insurance in Rwanda**

April - June 2023

#### **1. Background**

Rwanda reported its first COVID-19 case in March 2020. The Government took swift action to prevent the spread of the disease. This included a first lock down which lasted from end of March until beginning of May 2020. Additional measures and lock downs followed at national and or local level during 2021 and to a lesser extend 2022. The Government provided COVID-19 relief programs to mitigate the socio-economic impact of the crisis and the related response plans. While these measures were crucial to support vulnerable households, they could not prevent an increase in unemployment. Loss of income for workers in the formal sector led to increased demands to be able to withdraw pension savings with the Rwanda Social Security Board to cover short term needs resulting from the economic downturn.

The economy recovered in 2021 with a GDP growth of 10% after a retraction of 3.4% in 2020. Economic recovery is expected to further continue thanks to the continued vaccination roll out, increased external demand as well as Government support programs for medium and small enterprises<sup>1</sup>. However, the recovery was not reflected in the unemployment rate which continued to be 13 percentage points above pre-pandemic levels with women especially affected<sup>2</sup>.

Public employment services have been created in Rwanda in 2013. Public Employment Service Centres have been established in urban areas including Kigali, Musanze and Huye. The Centres are completed by buses which provided mobile services. Active labour market policies are

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<sup>1</sup> African Development Bank – Economic Outlook for Rwanda <https://www.afdb.org/en/countries/east-africa/rwanda/rwanda-economic-outlook>

<sup>2</sup> World Bank – Rwanda Economic Update: Regional Integration in Post-COVID area <https://www.worldbank.org/en/news/press-release/2022/02/02/rwanda-economic-update-regional-integration-in-post-covid-era>

implemented under the National Employment Programme<sup>3</sup>. In addition, the Rwanda Development Board plays a key role in supporting active labour market policies. Under the National Skills Development and Employment Promotion Strategy (2019 – 2024), the Rwanda Development Board provides skills development, employment promotion and employment matching services<sup>4</sup>.

The National Strategy for Transformation (2018-2024) reaffirms the central role of social protection in eradicating poverty and enhancing the standard of living of Rwandans. The sector is further guided by the National Social Security Policy (2009) and the National Social Protection Policy (2020 – 2024). The national social protection system includes contributory and non-contributory schemes. The Rwanda Social Security Board (RSSB) - established in 2010 provides six schemes: (1) pension scheme; (2) occupational hazards scheme; (3) maternity leave scheme; (4) medical scheme; (5) community-based health insurance scheme (CBHI) and (6) EjoHeza, a long-term saving scheme with membership available to the whole population. Several non-contributory programmes aim at covering the most vulnerable. Established in 2008, the Umurenge Programme (VUP) is Rwanda's flagship social protection programme. The VUP provides direct support to extremely poor and labour constrained households but providing adequate coverage to all households in need remains a major challenge.

While social health coverage reaches over 85% of the population, coverage of other schemes remains low. RSSB's contributory schemes reach only formal workers accounting for less than 10% of the population. However, the COVID-19 pandemic also underlined the vulnerability of workers in the formal economy who currently don't have unemployment protection. Since its launch in 2018, EjoHeza increased its membership reaching over 1,000,000 subscribers potentially providing protection to additional population groups including informal workers. However, to provide protection, the number of subscribers as well as the amounts saved will need to be increased<sup>5</sup>.

The National Social Protection Policy (2020) recognises unemployment insurance as one of the contingencies to be covered in the framework of a life-cycle approach to social protection. The National Social Security Policy (2009) identifies reaching universal social security as an overarching objective: *“This means that all Rwandans will be covered with maximum benefits possible for retirement and key pre- retirement benefits such as housing and education, for professional risks benefits, sickness benefits, maternity benefits, health care, and eventually unemployment benefits when social and economic conditions will allow this last branch to be implemented.”* The impact of the pandemic reaffirmed the priority given to progress towards universal social protection and led to increased demands for an unemployment protection.

Unemployment protection, as described in the ILO Employment Promotion and Protection Against Unemployment Convention, 1988 (No. 168) and its Recommendation, the ILO Employment Promotion and Protection against Unemployment Recommendation, 1988 (No.

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<sup>3</sup> ILO (2017), Assessment of Public Employment Services and Active Labour Market Policies in Rwanda

<sup>4</sup> Rwanda Development Board, National Skills Development and Employment Promotion Strategy (2019 – 2024)

<sup>5</sup> RSSB Action Plan 2021 – 2022

176), is a combination of income security measures (in the form of contributory or social assistance schemes) aimed at guaranteeing a certain standard of living for workers until they can return to work and policies to help unemployed workers increase their employability and search for new jobs. Recommendation 176, in particular looks beyond the social security system and considers the external socio-economic environment in which social security interacts - labour market, the economy and human resources development.

In line with ILO's policy approach, income security for the working-age population, as guaranteed by a social protection floor (SPF Recommendation 202 (2012)), can take the form of various income-support benefits and/or employment guarantees and services for unemployed workers and the working poor. Such options will combine the income replacement function of social security with employment promotion policies as well as assistance and incentives that encourage real participation in the formal labour market. As such, for the working-age population, a three-dimensional approach combining income security, employment promotion and skills development is perceived as the most effective combination to:

- ensure a minimum income and prevent unemployed workers and their families from falling into poverty;
- facilitate the return to employment as soon as possible; and
- upgrade skills and capabilities for better employability in a changing labour market (adapting to markets and economies as they diversify and are restructured).

Based on this policy approach, the ILO Flagship Programme on Building Social Protection Floors for All supports the conduct of a study on the dynamic and structure of the labour market in Rwanda, existing employment promotion services and their potential impact for and linkages to a future unemployment insurance scheme.

## **2. Objective and scope of work**

### *Objective*

The overall purpose of this assignment is threefold:

- to examine the dynamics and structure of the labour market and economy of Rwanda in terms of generating productive and decent employment in an inclusive and sustainable manner;
- to review existing legal frameworks to identify provisions applicable to contract termination and access to employment promotion services;
- to conduct a mapping of institutions providing employment promotion and social protection services and assess their capacities in view of providing recommendations and options of how the different functions of unemployment protection could be provided.

This exercise will feed into tripartite discussions on an appropriate policy framework for linking unemployment protection with employment, macroeconomic and active labour market policies, as part of unemployment protection in Rwanda.

### *Scope of work*

This assignment is expected to generate a solid conceptual understanding of current labour market realities experienced by Rwandan jobseekers, workers and businesses, as well as opportunities, challenges and policy options for job-rich and inclusive growth and related employment promotion actions. It will identify sectors and inter-sectoral linkages of strategic importance for job-rich growth and effective employment promotion policies. This analysis will include a review of existing legal frameworks and administrative arrangements which are available to workers out of employment and in search of a new job.

In collaboration and with guidance from the international consultant, the national consultant will perform the following tasks.

- Identify and collect pertinent literature and secondary data relating to the labour market, the economy including a review of Rwanda's growth performance, unemployment, poverty and inequality trends, and drivers of employment.
- Review applicable legal frameworks such as the Labour Law (2018) and the Revised National Employment Policy (2019)
- Contribute to explore avenues to complement and fill any data and evidence gaps if applicable<sup>6</sup>
- Contribute to examine the dynamics and structure of the labour market and economy from the perspective of its strengths and weaknesses in generating productive and decent employment in an inclusive and sustainable manner.
- Contribute to examine employment promotion and active labour market interventions/programmes and their potential impact on job creation.
- Contribute to provide a comprehensive diagnostic of opportunities and challenges associated with promoting full and productive employment in Rwanda
- Compile a mapping of institutions providing employment promotion and social protection services and assess their capacities and potential role in providing the different functions in providing unemployment protection (collection of contribution; receiving and processing applications; payment of benefits and/ provision of other services).
- Assess the binding constraints that has/or may impede Rwanda from transforming economic growth into decent jobs and identify/recommend high-impact employment strategy/policy options across the spectrum of macroeconomic, sectoral, and labour market policies that take due account of issues pertaining to the demand side, supply side, and the dynamics and interactions between the two.

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<sup>6</sup> The consultant and the ILO will jointly determine any gaps that will need to be filled and agree on the appropriate approach e.g. through rapid primary data collection. Depending on the gaps, the cost of additional data collection may be covered by the ILO directly.

- Contribute to examine how the existing framework limits or enhances the transition to formality (creation of formal jobs; gradual formalisation of currently informal jobs and preservation of formal jobs).
- Contribute to develop a comprehensive Labour Market Diagnostic report in line with the specifications/requirements of this ToR. Develop draft options and recommendations for a policy framework on unemployment protection in Rwanda to be presented to stakeholders for further discussion.
- Participate in discussions/seminars/workshops with stakeholders

### 3. Methodology

This consultancy task will be undertaken broadly in line with the methodological approach of the “Inclusive Growth and Employment Analysis: Technical Guidelines for the Situation Analysis” developed by the ILO in 2014. However, depending on the context in Rwanda, the RLMDA approach shall be modified appropriately in order to achieve reliable and useful results. The consultancy will also go beyond the RLMDA approach by providing a mapping of the different institutions involved and assessing legal provisions applicable to termination of work contracts and related entitlements of workers. The approach adopted should diagnose the extent and nature of, as well as the underlying causes for the deficits in productive, gainful and freely chosen employment. It should identify the context-specific constraints, challenges and opportunities for enhancing employment through pro-employment policymaking and implementation that stimulates sustainable and inclusive job-rich growth.

As recommended by the “Inclusive Growth and Employment Analysis: Technical Guidelines for the Situation Analysis”, RLMDA will adopt a consultative approach to the study. The ILO will support identifying key national stakeholders in the data collection and consultative processes.

The assignment will include the following steps:

**Briefing with the ILO team:** an initial briefing with the ILO team will guide the consultant in the assignment and ensure a mutual understanding of the objectives of the assignment.

**Desk review and key stakeholder interviews:** the consultant is expected to conduct a desk review of existing literature. The research will be complemented by interviews with key stakeholders to ensure all relevant literature is included in the review, to confirm initial findings and to collect feedback on the views, understanding and priorities of tripartite stakeholders related to unemployment protection. Key stakeholders will include but are not limited to MIFOTRA, MINECOFIN, RSSB, RDB, Employment Service Centres, PSF, trade unions, development partners supporting the sector,...

**Presentation of key findings and collection of feedback:** the consultant will present their findings during a workshop with tripartite and other key stakeholders. This will allow to validate their findings and to collect feedback on the acceptability and feasibility of different options and recommendations.

**Finalization of the report:** based on the feedback received, the consultant will finalise the draft report integrating comments received during the stakeholder workshop as well as written comments.

Activities / Tasks	Detailed outputs
Review of reference documents shared by the ILO and initial consultations	Methodological note
Desk research: <ul style="list-style-type: none"> <li>Analysis of the dynamics and structure of the labour market and economy of Rwanda in terms of generating productive and decent employment in an inclusive and sustainable manner</li> <li>Overview of the laws, regulations, policies, strategies, and schemes / services for employment promotion and social protection; and analysis of the institutional capacity of different actors.</li> </ul> Conduct key stakeholder interviews: <ul style="list-style-type: none"> <li>Complete list of literature to be reviewed</li> <li>Confirm initial findings</li> <li>Collect information related to stakeholders’ understanding, priorities and needs related to unemployment protection.</li> </ul>	Desk research
	Key stakeholder interviews
	Drafting of the draft report
Compilation of the final Labour Market Diagnostic and mapping of agencies involved in employment promotion and social protection service provision. Formulation of recommendations and options for a policy framework on unemployment protection.	Final set of recommendations
	Presentation and validation of results and recommendations at workshop
	Final report (MS Word) summarizing the findings of the assignment

#### 4. Deliverables and timeline

The assignment will commence in March 2023 and be executed over a period of maximum 2 months in accordance with the following timelines:

OUTPUTS	Time frame
1. Submission of an Inception Report - detailing the Consultant’s understanding of the assignment, proposed approaches, preliminary identification of scope and key issues for analysis, detailed schedule of the activities/work plan and a detailed outline of the report (Output 1).	<ul style="list-style-type: none"> <li>15 April 2023</li> </ul>
2. Draft report on “ <i>Rwanda Rapid Labour Market Diagnostic Analysis</i> ” (Output 2)	<ul style="list-style-type: none"> <li>1 May 2023</li> </ul>
3. Submission of revised/final draft report (based on expert reviews and input from stakeholder meetings) (Output 3)	<ul style="list-style-type: none"> <li>15 May 2023</li> </ul>

Note: Outputs 1, 2, & 3 may include a presentation to the ILO and national stakeholders

#### Qualifications and required capacity

**Education:** Advanced university degree (Master's Degree or equivalent or higher) in Labour Economics, Economics, social sciences or related discipline.

**Experience:**

- A minimum of 10 years of experience in Labour Economics and Labour market analysis
- Previous experience in conducting Employment Diagnostic Analysis, preferably in the African region.
- Knowledge and familiarity on Technical Guidelines for the Situation Analysis on Inclusive Growth and Employment Analysis will be an added advantage.
- Experience in implementing, designing and/ or assessing employment promotion and unemployment protection services
- Knowledge of the labour market and socio-economic situation of Rwanda is desirable.
- Extensive knowledge and experience with statistical data analysis and demonstrated proficiency in using statistical software;
- Ability to network within national tripartite stakeholders, NGOs and the academic and development community;

**Language:** Excellent written and spoken English.

**Communication:** The consultant must possess proven abilities to synthesize complex information and present findings and prepare reports in a clear and concise manner.

## **5. Reporting**

The consultant shall report to, and perform the assigned tasks under the overall guidance and supervision of the Project Manager of the Flagship Programme on Building Social Protection Floors for All in Rwanda. The Employment Specialist, CO-Dar es Salaam, the Social Protection Specialist, DWT-Pretoria and relevant ILO HQ and DWT Specialists shall provide input to the review and finalization of outputs.

## **6. ILO Standard Clauses for External Collaborator Contracts**

All standard clauses shall apply.

## **7. Application submission and procedure**

Interested applicants should submit their technical and financial proposal as well as a recent curriculum vitae and an example of a previous report drafted by the consultant via email to [darprocurement@ilo.org](mailto:darprocurement@ilo.org) with copy to [klein@ilo.org](mailto:klein@ilo.org) and [mutegaya@ilo.org](mailto:mutegaya@ilo.org) citing "Rapid Labour Market Diagnostic Analysis in support of the development of an unemployment insurance in Rwanda" as a subject, latest by 5 April 2023. The technical and financial proposal together should not exceed 10 pages excluding annexes. The financial proposal should include all cost related to key stakeholder interviews and not exceed USD 10,000.

The consultant will be selected on the basis of value for money. A two-stage selection process will be adopted for the evaluation of proposals. The technical evaluation will be conducted first, followed by the financial evaluation. The evaluation committee will evaluate the proposals using the criteria and weighting below:

- The technical offer will account for 70%. The following criteria will be taken into consideration:
  - Consultant’s background and qualifications to perform the task: 30%.
  - Consultant’s understanding of the task: 30%.
  - Methodological approach: 40%.
- The financial offer will account for 30%, after having established whether the proposals are complete and free of calculation errors.

## **8. Key documents**

ILO (2017), Assessment of Public Employment Services and Active Labour Market Policies in Rwanda

Ministry of Public Service and Labour, Rwanda (2019), Revised National Employment Policy

Rwanda Development Board, National Skills Development and Employment Promotion Strategy (2019 – 2024).

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