



International
Labour
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Progress Report - Rwanda

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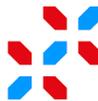
BUILDING SOCIAL PROTECTION FLOORS FOR ALL - PHASE II

Project Code (GLO/21/34/MUL)



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Donor: Belgium, Luxembourg
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Project title:	BUILDING SOCIAL PROTECTION FLOORS FOR ALL - PHASE II
Report type (pick one):	Annual
Reporting period:	From December 2021 to November 2022

Linkages:

Strategic Policy Outcome: Outcome 8: Comprehensive and sustainable social protection for all

Country Programme Outcome: RWA126: Reinforcing Social Security System and Implementation of National Policies

Sustainable Development Goal: SDG 1: End poverty in all its forms everywhere

UNDAF Outcome: Outcome 4: By 2023, people in Rwanda, particularly the most vulnerable, have increased resilience to both natural and man-made shocks and enjoy a life free from all forms of violence and discrimination.

Preparation and Review

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► ILO Global Flagship Programme on Building Social Protection Floors for All

Annual update 2022 - Rwanda

1. Country context

The National Strategy for Transformation (2018–24) (NST1) reaffirms the central role of social protection in eradicating poverty and enhancing Rwandans' standard of living. The sector is further guided by the National Social Security Policy (2009) and the National Social Protection Policy (2020–24). The national social protection system includes contributory and non-contributory schemes. The Rwanda Social Security Board (RSSB), established in 2010, provides six contributory 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. In addition, several non-contributory social assistance programmes aim at covering the most vulnerable. Established in 2008, the Umurenge Programme (VUP) is Rwanda's flagship social assistance 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.

Rwanda is currently conducting a mid-term review process of the NST1. In this framework, a review is also being conducted of the Social Protection Sector Strategic Plan, but with a strong focus on the non-contributory VUP and the long term EjoHeza scheme, which are both key elements of the NST1. However, there are weak linkages between the contributory and non-contributory schemes; while most partners in the social protection are focusing on the VUP, only the World Bank provides limited support to the Rwanda Social Security Board (RSSB) for the implementation of other schemes, most notably the pension scheme.

While social health coverage reaches over 85 per cent of the population, coverage of other schemes remains low. RSSB's contributory schemes reach only workers in the formal economy, accounting for less than 10 per cent of the population. However, the COVID-19 pandemic also underlined the vulnerability of workers in the formal economy who currently do not have unemployment protection. Since its launch in 2018, EjoHeza has increased its membership reaching over 1,000,000 subscribers and potentially providing protection to additional population groups, including workers in the informal economy. Nonetheless, to be effective as a mechanism against poverty in old age, the number of subscribers as well as the amounts saved will need to be increased and linkages with the contributory social security system explored.

According to the Rwanda Labour Force Survey 2021, workers whose main job was in the informal economy accounted for almost 90 per cent of the total workforce. From a legal perspective, all workers regardless of their status or contract are required to be registered and to contribute to the social security schemes in place. RSSB and the Ministry of Public Service and Labour (MIFOTRA) have recognized this as a challenge and are developing a memorandum of understanding to strengthen their collaboration.

2. Progress report

Outcome: In Rwanda: Formal and informal economy workers and their families have access to better social protection schemes in line with the Social Protection Floors Recommendation, 2012 (No. 202)

The implementation encountered serious delays owing to the project team's late start and insufficient capacities to backstop implementation at the regional and global levels. It was also considered that it would be important to have the project team in place to start activities to allow for better ownership as well as closer coordination with national stakeholders. A detailed workplan has now been developed and is being considered in consultation with all national partners, in particular MIFOTRA, RSSB, the Private Sector Federation and the trade union federations. Consultations are ongoing with MIFOTRA on the organization of the first meeting of the Programme Steering Committee, which will take place in early 2023.

Output 1: Social security products and services, including unemployment protection, respond to the needs and priorities of workers in the formal and informal economies

Based on the consultations, additional support to policy development under Output 1 has been identified. These include: (1) support to the implementation of the recommendations from the 2020 actuarial study report on pension and occupational hazard schemes; (2) ILO inputs to the revision of the maternity leave scheme; (3) technical support to the extension of EjoHeza and its potential linkages to the contributory scheme, and also (4) the revision of the National Social Security Policy from 2009.

Study on existing social security products and services, and options and recommendations for extending products and services to workers in the informal economy

The ILO has developed the draft terms of reference for conducting a study on the extension of social protection to workers in the informal economy. Input from the Steering Committee will be key to identify priority sectors for the focus of the study. Additional input will be needed to identify how the analytical work on supporting the further development of EjoHeza can be linked to the study.

Feasibility studies on unemployment protection in Rwanda

Following discussions with RSSB and MIFOTRA, support to the development of unemployment protection will begin with a study on existing active labour market and employment promotion policies. This will feed into discussions around design of an unemployment insurance to be organized in the second half of 2023.

Review/assessment of legislations and policies with a view to identifying gaps and enhancing access to social security products and services by workers in the informal economy

Support to be provided to the reform of the pension and the maternity leave scheme will consist mainly of expert input from ILO specialists to advise on the alignment of the policies with ILO standards.

To promote an integrated and comprehensive approach to social protection, the Programme will continue to advocate for integration of the national social protection and the National Social Security

Policy. It is expected that the new policy will be developed in 2023-24 with a view to its entering into force in 2025.

Output 2: Mechanisms and tools are available to strengthen administration and facilitate access to social security services to workers in the informal economy

Support review of social security operations, data and management information systems and delivery mechanisms to incorporate recommendations for the extension of social security to the workers in the informal economy

Support the RSSB to improve its data and management information system, particularly data flows among branch offices to promote access, strengthen governance, enhance transparency and accountability and efficient service delivery

Development of a strategy with recommendations and a roadmap on digitalization of social security service delivery

Digitalization is an important priority for the Government of Rwanda. The RSSB strategic plan already includes a roadmap on digitalization of its services. It is therefore proposed that the support on digitalization is aligned with the roadmap and is further based on needs identified in the findings from the study on the extension of social protection to workers in the informal economy. The proposed changes will be submitted to the Steering Committee for guidance and approval.

Support to formalization

Specific activities and additional feasibility studies to be conducted will be based on the recommendations of the study on the extension of social protection to workers in the informal economy.

Trade unions will play a key role in the support to formalization. Priority sectors for support to formalization will be identified jointly with tripartite partners and consider recommendations to be provided by the Steering Committee.

Output 3: The Rwanda Social Security Board, labour inspectors and tripartite constituents have the necessary capacities and relevant information to effectively implement social protection schemes and to advocate for their sustainable financing

The consultations with the different stakeholders identified several capacity-building needs.

Support to RSSB and tripartite partners on implementation of options (Output 1) for extension of social security to workers in the informal economy and on unemployment protection

Specific training activities will be identified based on the recommendations of the study on the extension of social protection to workers in the informal economy.

The project team is exploring co-financing of a training of labour inspectors supported by the ILO through a UN Joint Programme on Sustainable Cities and the integration of social security aspects into the general training on the National Employment Policy.

Capacity-building for RSSB, tripartite partners and stakeholders on extension of social security, using the ILO Guide on extension of social security to workers in the informal economy, with particular attention to the rural sector

Discussions are ongoing with RSSB on a tailor-made training for its staff. Both the ILO International Training Centre and the International Social Security Association are available to support the training.

Based on consultations, capacity-building activities will include training for small and medium-sized enterprises on social security to be provided by the Private Sector Federation.

Costing national social protection floor, gap and fiscal space analysis for Rwanda, including poverty impact analysis

Based on the consultations with partners and existing analysis of financing of social protection, it is proposed that the Flagship Programme supports the conduct of a multiplier study to assess the return of investment of social protection financing in Rwanda.

Support to enhancing social protection data, quantitative tools and reporting on SDG 1.3

The project team will support RSSB and the Ministry of Local Government to complete information in the Social Security Inquiry (SSI) questionnaire. Further support in collaboration with the National Institute of Statistics will focus on strengthening data collection and analytical work to enable RSSB to become a data-driven institution.

3. Collaboration and partnerships

The strengthened presence of the ILO in Rwanda allows for a strong engagement with key partners. The trade union federations and the Private Sector Federation will be close partners in the implementation of activities. Trade unions will likewise be key partners to support formalization of workers in the informal economy. The Private Sector Federation will be a key partner in providing training on social security standards and regulations for small and medium-sized enterprises.

The ILO is an active member of the Technical Working Group on Social Protection. Consultations with various UN agencies on creating synergies among different programmes are ongoing. Similarly, consultations with Government of Belgium (Enabel) are planned for the beginning of December.

4. Issues and actions

The main challenge encountered was the long process needed to recruit the project team, thus not allowing the implementation of the programme to begin effectively until October 2022. A detailed workplan has been developed and is under consultation with key national counterparts. It is proposed that activities will be implemented over a 24-month period starting in October 2022.

5. Summary and outlook

The ILO's presence is welcomed by the tripartite partners as well as other development partners and its mandate to support decent work is well placed to encourage not only stronger linkages between the contributory and non-contributory schemes, but also linkages between social protection and job creation policies.

Rwanda was suggested by several UN agencies as a potential pathfinder country for the Global Accelerator on Jobs and Social Protection for Just Transitions. This interest was also expressed by the Representative of the Rwandan Mission to the United Nations in New York. The implementation of

the Accelerator could further strengthen the linkages between social protection and employment policies and encourage a rapid scale up of project activities. A way forward will be developed in close collaboration with other UN agencies in 2023.