Civil society organisations in Rwanda are urging more financing of the youth development projects in the country to supplement what Business Development Fund (BDF) is doing thus creating more employment and economic growth.

A policy paper issued by the Rwanda Civil Society Platform (RCSP) following the examination of the challenges of BDF in contributing to the financing youth entrepreneurial objectives, states that outcomes of its intervention are not yet fully felt among youth. Civil Society organisations recommended that BDF should be fully decentralized and empowered at the district level after consultation between the Ministry of Trade and the Ministry of Local Government, in this way, BDF services could be in the vicinity of customers.

According to Never Again Rwanda (2023) research, youth unemployment in Rwanda is relatively high at 25.6% among population aged 16-30 years as compared to the adults (aged 31 years and above) which is at 17.1%. This is despite the fact youth in Rwanda are viewed as a significant national asset and a pivotal force for sustainable development when empowered and adequately motivated with the needed skills and funds.

The recent national census results showed that in Rwanda the employment to population ratio among youth stands at 40.3%, and is higher among males than females at 44.8% and 36.2 % respectively.

For Fred Musiime, the Executive Director of Citizen Rights and Development (CRD) says that also there are still gaps in financing of youth projects despite helping many to be uplifted out of poverty.

Fred Musiime, the Executive Director of Citizen Rights and Development

“Youth financing projects have been instrumental in translating dreams of young people into reality. Project ideas have been nurtured, supported and developed into employment opportunities for youth. Some youths, individually and collectively, through financed projects have been able to support their families and uplift them from extreme poverty” said Musiime.

In Rwanda, youth unemployment has proven to be an intricate and multifaceted issue shaped by various interconnected factors such as limited experience, skills mismatch, a competitive job market, and difficulties in accessing financial support

for their projects.

However, Musiime notes that there are still challenges and gaps in financing such projects and encourages stakeholders in addressing the problem; “Insufficient budget allocated to youth economic development projects so as to increase number of beneficiaries of these financial services, limited feedback mechanisms among selection team to beneficiaries, especially on none selected projects, inadequate monitoring, regular support and coaching for youth who are running financed projects should be addressed,” added Musiime.

In 2015, BDF opened branches throughout the country with the aim to assists SMEs to access finance, particularly those without sufficient collateral to obtain credit from traditional financial institutions at reasonable rates.

The Civil society position paper states that BDF has significant functionality challenges that hinder its effectiveness in mitigating youth unemployment such as 25% collateral which is hard to afford for many, and issue of those who submit their project and receives no feedback.

Vincent Munyenshyaka, the Chief Executive Officer at BDF speaking earlier said that they have made significant steps in funding youth projects working with SACCOs and banks to increase awareness and accessibility of funds.

Vincent Munyenshyaka, the Chief Executive Officer at BDF

“BDF is working with over 300 SACCOs and eight banks around the country in order to give loans to potential enterprises and people who have no collateral, and BDF provides guarantees to them,” said Munyeshyaka.

Besides the crucial problems that the youth do not have business literacy for running businesses, it’s important that BDF first reviews effectively the issues of rejection of bankable projects, lack of awareness on BDF in general, on its products and grant proceedings.

Ms. Joy Murekatete is the owner of the JOTETE INVESTMENT LTD a multi-service company established in 2013 that offers beautification, floral and interior design services to hospitality sector and other clients.

The company grows summer flowers in Rulindo district for local and export

purposes. Recently, the company was heavily hit by a slump in demand, following the Covid-19 pandemic. This led her to lay off some of her employees.

Murekatete successfully applied for financial support under the Young Entrepreneurs Resilience Fund, to revive her business. With a RWF 5 million (USD 5,000) injection, her business is recovering. She now employs over 33 permanent employees and more than 208 casual workers.

The Rwandan government has undertaken significant efforts to foster entrepreneurship among the youth, aiming to mitigate youth unemployment.

These initiatives include the establishment of the National Youth Council, tasked with facilitating and motivating youth to actively participate in the socio-economic development and transformation of society.

Additionally, the National Youth Policy has been implemented, focusing on supporting and encouraging the development of employable skills among youth while fostering a positive shift in attitudes toward work.

The National Strategy for Transformation highlights priority to create decent and productive employment opportunities for 1.5 million people, youth included.

The government has also instituted support mechanisms beyond BDF designed to provide financial assistance to youth entrepreneurs' projects such as, Savings and Credit Cooperative Societies (SACCOs), Business Development Services, and the NEP *Kora Wigire* program etc.

Regardless of the strategic vision, policies and policy actions of the Government of Rwanda pertaining to curb the youth unemployment, the data collected has revealed the persistence of youth unemployment.