



**Kigali  
International  
Financial  
Centre**

A photograph of three business women in a meeting. They are gathered around a table with a laptop and several charts. The woman in the center is smiling and gesturing with her hands. The woman on the left is also smiling and looking towards the center. The woman on the right is partially visible, also smiling and gesturing. The background shows a modern office environment with wooden shelves and a staircase.

# FINANCIAL SECTOR SKILLS SURVEY



## Commission and Partners of the Assignment



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## TABLE OF ACRONYMS

SHORT FORM	LONG FORM
ACCA	Association of Chartered Certified Accountants
ACII	Associate of the Chartered Insurance Institute
ADM	Asian Dollar Market
AI	Artificial Intelligence
BNR	National Bank of Rwanda
CAPEX	Capital Expenditure
CFA	Chartered Financial Analyst
CFP	Certified Financial Planner
CGM	Chartered Global Management
CII	Chartered Insurance Institute
CISI	Chartered Institute for Securities & Investment
CIMA	Certified Investment Management Analyst
CMA	Capital Markets Authority
CPA	Certified Public Accountant
CPD	Continuous Professional Development
EAC	East African Community
ESG	Environmental, Social, and Governance
FACTA	Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
FAMs	Finance Associate Management Scheme
FDI	Foreign Direct Investment
FRw	Rwanda Franc
FSA	Future Skills Accelerator
FSC	Financial Services Commission
FSDA	Financial Services Development Act
FTS	Financial Training Scheme
GDP	Gross Domestic Production
GFCI	Global Financial Centres Index
GoR	Government of Rwanda
HRDC	Human Resource Development Council
IBF	International Banking Facility

<b>SHORT FORM</b>	<b>LONG FORM</b>
<b>IFCs</b>	International financial centers
<b>ILPD</b>	Institute of Legal Practice and Development
<b>IMF</b>	International Monetary Fund
<b>ITM</b>	Industry Transformation Map
<b>KII</b>	Key Informant Interview
<b>KIFC</b>	Kigali International Financial Centre
<b>LDCs</b>	Least Developed Countries
<b>LFS</b>	Labour Force Survey
<b>MAFH</b>	The Mauritius Africa Finance Hub
<b>MAS</b>	Monetary Authority of Singapore
<b>MFI</b> s	Micro Finance Institutions
<b>MINECOFIN</b>	Ministry of Finance and Economic Planning
<b>MOBAA</b>	Mauritius Offshore Business Activities Act
<b>MPFSS</b>	Monetary Policy and Financial Stability Statement
<b>NBFI</b>	Non-Deposit Taking Financial Institutions
<b>NISR</b>	National Institute of Statistics of Rwanda
<b>NITA</b>	National Industrial Training Authority
<b>NST1</b>	National Strategy for Transformation 1
<b>ODL</b>	Occupation Demand List
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PISPs</b>	Payment Initiation Service Providers
<b>PRVT</b>	Private
<b>PSP</b>	Payment Service Providers
<b>RDB</b>	Rwanda Development Board
<b>RFL</b>	Rwanda Finance Limited
<b>SLAs</b>	Service Level Agreements
<b>STS</b>	Standards Training Scheme
<b>US</b>	United States
<b>USD</b>	United States Dollar
<b>VE</b>	Vanguard Economics
<b>WB</b>	World Bank

## DEFINITIONS AND MEANINGS:

TERM / PHRASE	DEFINITION AND MEANING
<b>Domestic Finance in Banking</b>	Domestic finance in banking primarily deals with financial activities within a single country. Banks that focus on domestic finance provide services to individuals, businesses, and other organizations within the country's borders. These services typically include savings and checking accounts, loans, mortgages, and other financial products tailored to meet the needs of domestic customers.
<b>International Finance in Banking</b>	<p>It involves financial transactions and activities that span across national borders. Banks specializing in international finance provide services to businesses and individuals engaging in cross-border transactions, such as international trade, foreign direct investment, and global money transfers. They assist with foreign exchange, international payments, trade financing, and managing currency and interest rate risks associated with global markets.</p> <p>This sector must have a thorough understanding of international regulations, international payment systems, exchange rates, political risks, and economic factors impacting various countries. They often offer specialized services like trade finance instruments, foreign exchange hedging, and international fund transfers.</p>
<b>Specialized jobs</b>	Specialized jobs typically require in-depth knowledge and expertise in a specific area of finance. Specialized jobs demand a high level of expertise in a particular field of finance, such as investment banking, risk management, or financial analysis. Professionals in specialized roles often possess specialized certifications or advanced degrees related to their field of expertise.
<b>Non-specialized jobs</b>	Non-specialized jobs may involve broader responsibilities across multiple areas. Non-specialized jobs encompass a wider range of tasks and require general knowledge of finance without the same level of depth

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# Acknowledgement

We would like to thank all stakeholders and individuals who contributed greatly to the development of this survey. This report provides valuable insights into the financial talent landscape in Rwanda, shedding light on the current state of affairs.

The comprehensive research methodology and thorough analysis presented in the study offer a solid foundation for policymakers, financial institutions, and other stakeholders to make informed decisions and tailor interventions to address the gaps identified. The findings are not only beneficial for Rwanda but also contribute to the broader conversation on financial inclusion and development in the region.

We commend the dedication and expertise of the research team for their meticulous work in conducting this study. It is evident that a significant amount of effort and resources were invested in this project, and the results speak for themselves. Thank you for your commitment to advancing knowledge and fostering positive change in the financial sector.

Rwanda Finance Limited.



# Executive Summary

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# 1. EXECUTIVE SUMMARY

Notwithstanding robust growth in recent years, the depth of Rwanda financial services sector is below the LDC average, an indicator that Rwanda's financial services sector is smaller than would be expected given the size of the economy (Exhibit 5). The sector is mainly dominated by domestic retail banking, with international finance still in its infancy. Approximately 36,775 people are employed in the financial services sector, accounting for 0.9% of total employment in the country (NISR, 2023)

While Rwanda produces many finance and accounting graduates - the most popular fields of higher education in Rwanda (Figure 7) - the existing skills base is not yet established to support the emergence of a globally competitive international finance centre. Non-specialist positions, such as administrative work, officers, and cashiers, make up 57% of the workforce, while specialized and senior positions account for 40%, and executive roles make up the remaining 3% (Figure 15). The survey reveals that most sector employees are male and under the age of 40, holding undergraduate degrees and having less than five years of experience.

Projections in this report indicate that Rwanda's domestic financial sector is expected to grow from 36,775 employees to approximately 49,500 by 2027. The sector is also expected to generate an additional 1,600 specialized jobs in international finance. By 2027, there will be a need to fill around 1,700 senior banking roles, 4,500 mid-level roles, and 5,000 non-specialized roles across the entire financial services sector (Figure 18). Senior and mid-level will all require 3rd degree education. Beyond that, according to the data received, from the study, The most highly valued professional qualifications in the financial sector are the Chartered Financial Analyst (CFA), the Certified Financial Planner (CFP), the Chartered Institute for Securities & Investment (CISI), and the Valuation Analyst - FMVA certification. The specific qualifications that are essential for success in the financial sector are CFA, ACCA, CISI, CPA, CT, and ACII. These certifications provide the necessary expertise and knowledge to work in the fields of fund management, pension, insurance, and investment banking. Additionally, short courses and specialized training programs are important for roles in the depository and bond trading sectors. Regulatory industry players also recognize the importance of staying up to date with the changing landscape of the financial sector and ensuring that the Occupational Development List (ODL) reflects the evolving skill requirements of the industry.

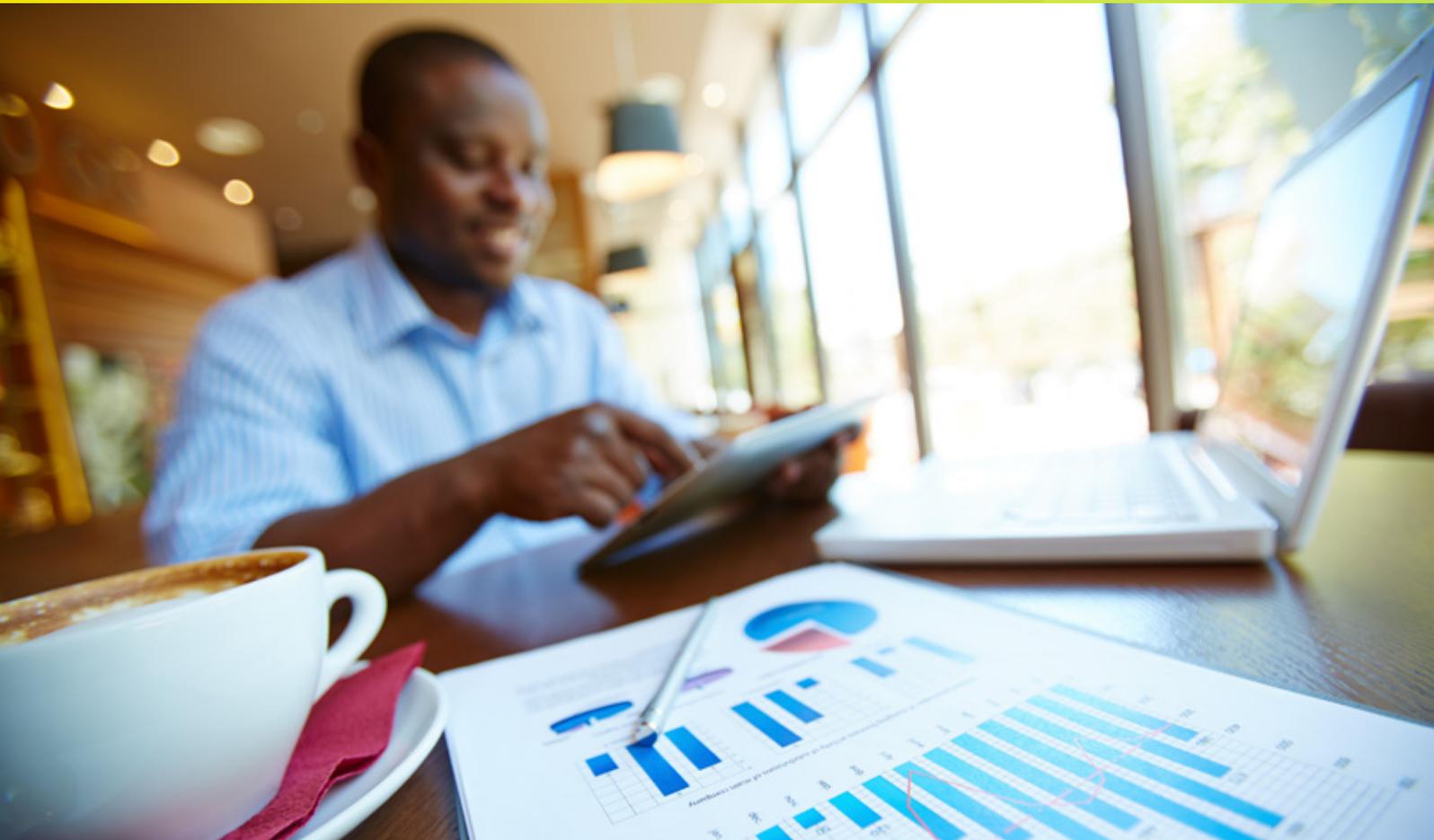
This survey has identified skills gap, both in technical and soft skills. These gaps may become more significant as Rwanda expands its international financial services. Interestingly, 40% of institutions feel that their staff lack the necessary technical, institutional, and behavioural competencies to adequately support operations. Environmental, Social and Governance (ESG), Fintech, and Currency and Commodity Markets are reported as areas where both individuals and institutions feel least competent. There is also a general lack of understanding of international finance among surveyed staff.

To address these skill gaps, recommendations have been made at the individual, institutional and national/policy level.

- At the individual level, interventions such as a Mentorship Programmes, a Specialized Financial Training Institute, Global Partnerships (within Finance), and Academia (Educational) Partnerships are proposed to enhance skills, knowledge, and practical application in the financial sector.
- At the institutional level, training on salary incentives is suggested and alignment of incentive systems with international standards for specialized professionals. An executive training program is also recommended to enhance corporate dynamics and industry performance. Strategies to discourage talent poaching and encourage talent cultivation and retention within firms are also crucial.
- At the national level, expanding the Sector Skills Council's mandate is proposed to serve as a coordinating body; Promoting global certifications through incentives and relaxing visa regulations to attract skilled professionals are also suggested. Implementing a training levy system, where employers contribute to a skills development fund, is another recommendation to finance industry-focused training endeavors.

To improve access to skills information in the sector, the establishment of skills frameworks and competency models is recommended. This will help solidify skill standards and align training efforts. Conducting an annual skills gap survey and benchmarking study on salaries and incentives will further aid in identifying and addressing skill development needs. Overall, these proposed actions aim to enhance the skills and knowledge base within Rwanda's financial services sector to support its growth and development as an international financial center.

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## Background to the Survey

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## 2. BACKGROUND TO THE SURVEY

### 2.1. Background to the Assignment

Rwanda aspires to become a prominent financial destination for international investments and cross-border transactions within Africa, advancing the competitive position of the financial industry at both local and international levels. Government of Rwanda has established the Kigali International Financial Centre (KIFC) to achieve this vision, and foster increased investment promotion, policy reform, and sector upskilling initiatives.

The current skills base and training ecosystem in Rwanda presents a constraint to the establishment and growth of the Kigali International Financial Center. Therefore, Vanguard Economics, in partnership with experts from Coventry University's Centre for Financial and Corporate Integrity and Q-Sourcing Rwanda, were commissioned to undertake a comprehensive Skills Survey of the Financial Sector. The purpose of this survey is to evaluate the existing skills base within the financial sector and establish clear targets for local upskilling and talent attraction over the next three to five years. This study aims to address the identified skills gap and strategically position Rwanda as a competitive force in the global financial landscape.

### 2.2. Introduction

Rwanda aims to become a middle-income economy by 2035 and a high-income economy by 2050<sup>1</sup>. The achievement of this goal is driven in part by a plan to establish Rwanda as a leading financial services hub in Africa. The Government of Rwanda intends to promote Kigali as the preferred financial center for international investments in Africa and as a hub for regional business. These objectives will be delivered through the Kigali International Financial Center (KIFC).

The KIFC is playing an increasingly crucial role in Rwanda's journey towards becoming a pan-African financial hub. The KIFC aims to make Rwanda an attractive jurisdiction for cross-border and international investments in Africa, thus attracting a wider range of financial services and products from both regional and global actors into Rwanda. Its main objectives are to:

- Diversify and expand the country's financial services and product offerings
- Increase foreign exchange reserves,
- Improve access to capital for retail and business customers, and
- Generate employment opportunities.

Rwanda Finance Limited, the agency promoting the Kigali International Financial Centre, targets to attract \$600 million in assets into the centre by 2025<sup>2</sup>. However, gaps in the availability of skilled and experienced professionals and the fragmented training system pose a significant challenge to the growth of the financial centre. At present, Rwanda's financial sector faces a scarcity of highly skilled, multilingual, and service-oriented professionals with ample experience in international financial markets. While efforts are being made to address this issue, the country's training ecosystem for the financial industry remains disjointed. According to the most recent data, Rwanda's financial sector employs 0.9% of the total workforce, equivalent to around 36,775 individuals (NISR, 2023). Most financial professionals (55%) lack sufficient experience, having less than six years experience, and only a small fraction (less than 2%) possesses specialized professional certifications (Skills Survey, 2024).

### 2.3. Objectives of the study

Rwanda has made significant progress in establishing important regulations, taxes, and good governance systems with the creation of the KIFC. However, to achieve its vision, the country needs to attract, train, and retain highly specialized financial professionals to support the growth of the financial center.

The focus of this study is to take stock of the existing financial talent pool of individuals in Rwanda's financial sector and facilitate the attraction and development of talent in the short-to-medium term. The main objectives of this study are to:

- Conduct a current survey on the available local skills and financial sector professionals and to inform both local and international stakeholders on required knowledge, skills, and competencies
- Determine the gap in terms of capabilities and skills.
- Undertake a skills assessment to establish specific goals for talent development and attraction and necessary measures to put in place for the next 3-5 years, to address the gaps and facilitate the Government of Rwanda in effectively promoting Kigali as a financial hub.

This study builds upon the National Skills Development and Employment Promotion Strategy 2019-2024, the Labor Force Survey 2023, and the 2019 KIFC Skills Assessment and Development of Capacity Building Strategy, as mandated by the Ministry of Economic Planning and Finance (MINECOFIN).

1 Government of Rwanda (2017). National Strategy for Transformation (NST 1)

2 KIFC (undated). Positioning Rwanda as a Preferred Financial Centre for Investment into Africa.

## 2.4. Methodological Outline

This study adopted a mixed-method methodological approach, combining primary and secondary quantitative and qualitative data collection. Triangulation and analysis of the data collected was used to identify key themes in the skills assessment and yield nuanced findings and recommendations.

*Table 1: Deliverables and Approach*

DELIVERABLE	APPROACH
Financial Sector Skills Survey Development & Comprehensive Dataset to inform Capacity Gaps & Interventions	<p><b>Map existing and projected financial sector professionals and available jobs in the financial services sector</b></p> <ul style="list-style-type: none"> <li>Quantitative (enclosed form) online surveys of the financial sector across selected sub-sectors, at the individual and firm level.</li> </ul> <p><b>Identify financial sector workforce characteristics, qualification levels, and potential skills gaps:</b></p> <ul style="list-style-type: none"> <li>Compilation of labor statistics &amp; literature review of skills assessment of the financial sector in Rwanda</li> <li>10-15 Key informant interviews, dependent on initial analysis of survey results to deliver more in-depth and nuanced findings.</li> </ul> <p><b>Map existing policies/regulations against which industry standards can be set.</b></p> <ul style="list-style-type: none"> <li>Compilation of secondary sources and benchmarking against regional/international comparators</li> </ul> <p>Triangulation &amp; analysis of primary &amp; secondary data collected</p>
Draft Financial Sector Skills Report & Action Plan	Final publication to communicate results of findings/skills survey
Comments from Stakeholders	Stakeholder Inputs

A desk review was undertaken of relevant secondary literature and data sources on the financial sector and broader macroeconomic landscape in Rwanda. This included a compilation of labour - and other relevant - statistics, a review of documentation on skills assessments previously conducted, and a benchmarking exercise to assess Rwanda's existing policies and regulations against regional and international comparators.



# Recent Trends in Rwanda's Financial Services Sector

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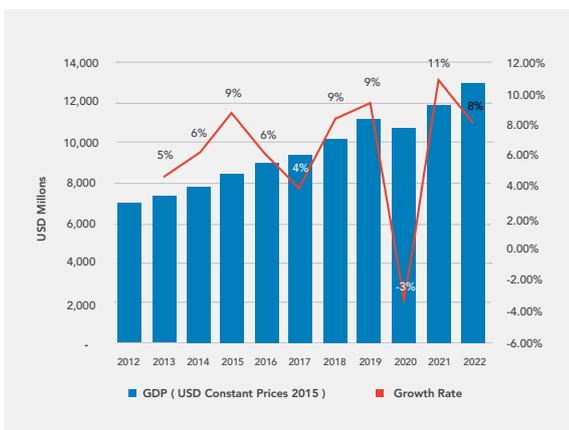
### 3. RECENT TRENDS IN RWANDA'S FINANCIAL SERVICES SECTOR

#### 3.1. Macroeconomic background and assessment of the financial sector

Rwanda has recorded robust economic growth over the past decade averaging 8% annually between 2012 and 2022. While GDP declined by 3.4% in 2020 due to the COVID-19 pandemic, the economy rebounded in 2021 with a growth rate of 10.9%, and growth remained solid in 2022 with a rate of 7.3%. Rwanda has performed exceptionally in the past decade compared to the EAC region where the average growth rate was 5% for the period 2012 to 2022.

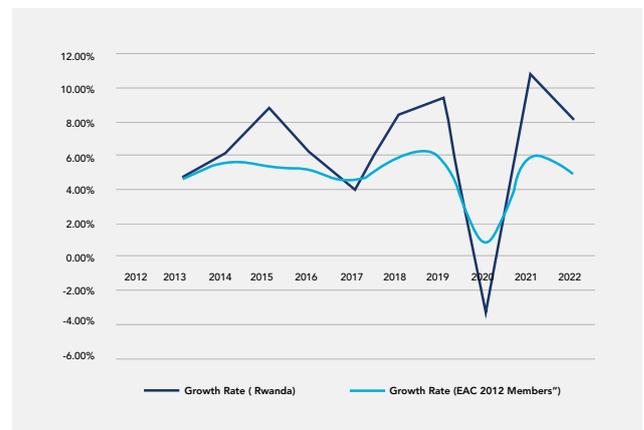
*Exhibit 1: Key Macroeconomic Trends in Rwanda*

*Rwanda's GDP performance Constant US\$ Prices 2015 (2012 – 2022)*

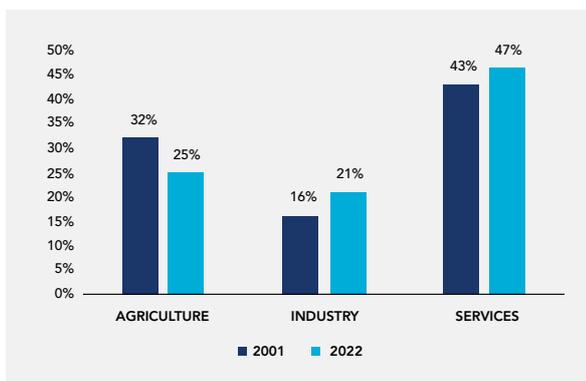


Source: World Bank Databank, 2023

*EAC countries GDP growth rate vs Rwanda (%) (2012 – 2022)*

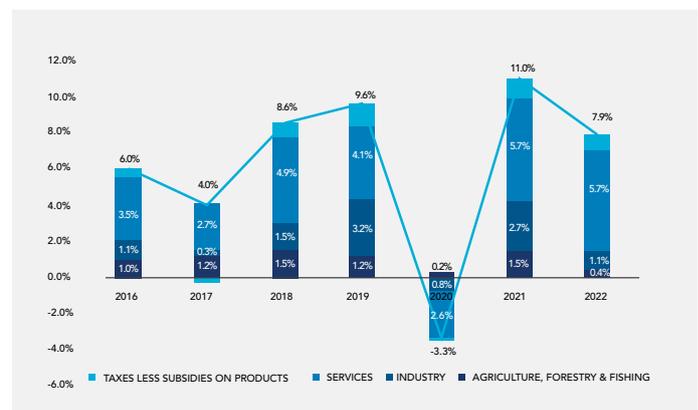


*Sector Share of GDP (2001– 2022)*



Source: NISR, National Accounts, 2022

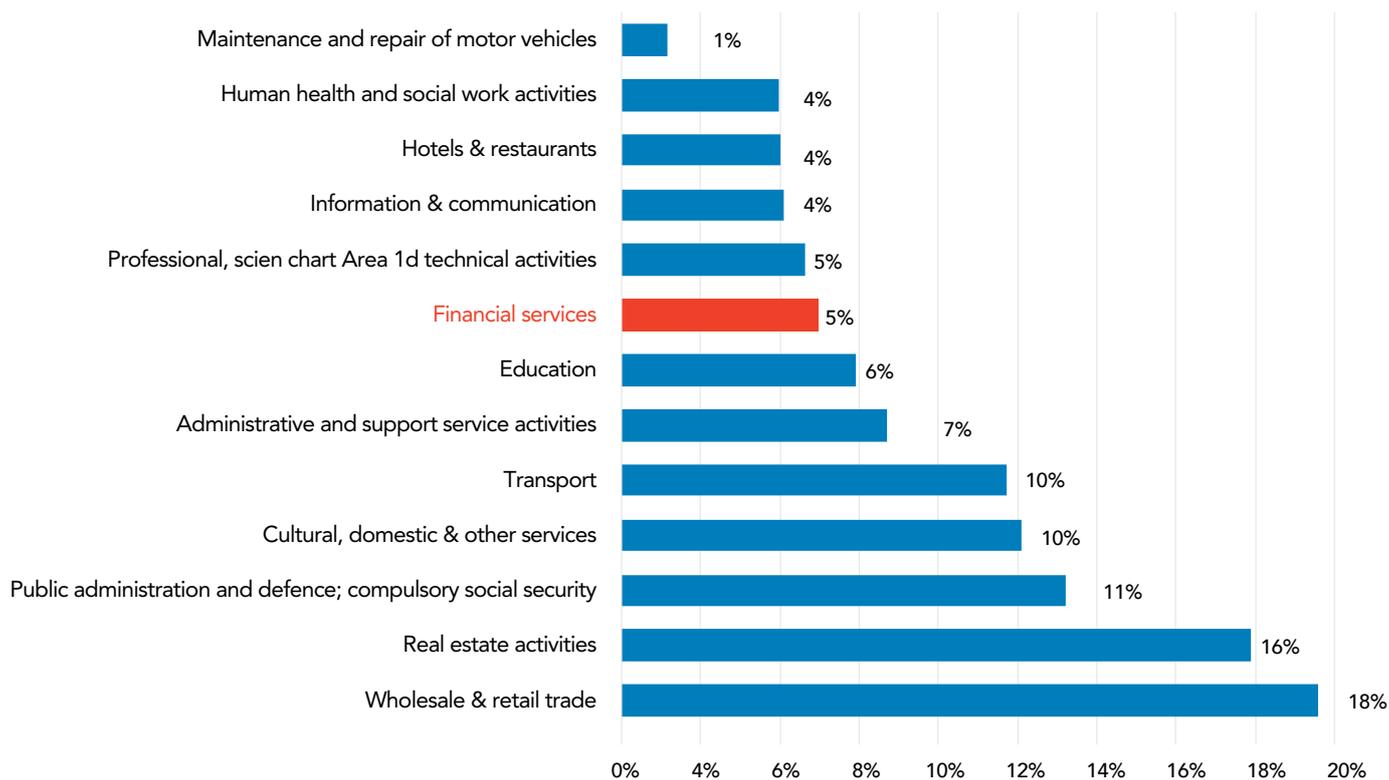
*Sector contribution to GDP growth (2016 – 2022)*



Over the past twenty years, the main sector driving Rwanda's economic growth has shifted from agriculture to services. This structural transformation has been guided by a successive series of Government designed and implemented economic growth plans, the most recent being the National Strategy for Transformation (2017-2024). Rwanda's service sector has increased its share of GDP from 43% in 2001 to 47% in 2023. In contrast, agriculture's share has declined from 38% to 27% over the same period. The service sector was the primary driver of economic growth in 2023, contributing 5.5% to GDP growth. By contrast, the industrial sector which was particularly impacted by the COVID-19 pandemic, contributed only 1.9% to GDP growth.

The service sector in Rwanda is dominated by wholesale and retail trade, while the financial sector is a smaller but important component (Figure 1). Wholesale and retail trade account for an average of 18% of total services output in the period 2006 to 2022, while real estate activities ranked second, accounting for 16%. The financial services sector contributes 3% to Rwanda's GDP and has accounted for an average of 5% of services level output in the period 2006-2022. This share has been consistent overtime.

Figure 1: Composition of service sector value as a proportion of GDP (%) (2006-2022 Averages)



Gross Domestic Product By Kind Of Activity Services Trade & Transport	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008	2009	2020	2021	2022
	Percentages of Activities under services contribution to GDP																
Maintenance and repair of motor vehicles	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wholesale & retail trade	15%	16%	18%	16%	17%	18%	18%	17%	18%	17%	16%	17%	17%	17%	18%	21%	22%
	8%	8%	8%	9%	8%	9%	9%	9%	9%	9%	9%	10%	12%	13%	12%	12%	12%
<b>Other Services</b>																	
Hotels & restaurants	6%	5%	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%	4%	3%	2%	3%	2%
Information & communication	4%	4%	4%	4%	4%	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	3%
Financial services	5%	5%	4%	4%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	6%
Real estate activities	17%	20%	21%	21%	20%	18%	15%	15%	14%	14%	15%	15%	15%	14%	14%	12%	11%
Professional, scientific and technical activities	4%	5%	5%	5%	5%	5%	5%	4%	4%	4%	4%	4%	4%	5%	5%	5%	4%
Administrative and support service activities	6%	7%	7%	7%	7%	6%	6%	6%	7%	7%	8%	7%	7%	7%	7%	6%	6%
Public administration and defence; compulsory social security	11%	10%	9%	9%	10%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	11%	12%
Education	5%	4%	4%	5%	5%	6%	7%	7%	7%	7%	6%	6%	6%	5%	5%	7%	9%
Human health and social work activities	4%	4%	4%	4%	4%	4%	5%	5%	5%	4%	4%	4%	3%	4%	4%	3%	2%
Cultural, domestic & other services	13%	11%	10%	9%	9%	8%	9%	9%	10%	11%	11%	11%	11%	11%	11%	10%	9%

### 3.1.1. Composition of the Financial Sector

Rwanda's financial sector is regulated by the National Bank of Rwanda (BNR) and the Capital Markets Authority (CMA). The financial sector is primarily dominated by domestic retail banking while international finance is still in its infancy. According to the latest available data, the financial sector's assets as a percentage of GDP grew to 64.9% (Rwf 8,909 Bn) in the last five years (2018-2022), up from 62.9%. The banking sub-sector makes the most significant contribution and holds the largest share of financial assets, followed by pensions, insurance, microfinance institutions (MFIs), and voluntary pension schemes. To grow Rwanda's financial centre, that is the KIFC, Rwanda needs to develop both the domestic and international finance sub-sectors

Exhibit 2: Overview of the Major Actors in Rwanda's Financial Sector 2023

Source: Monetary Policy and Financial Stability Statement, 2023



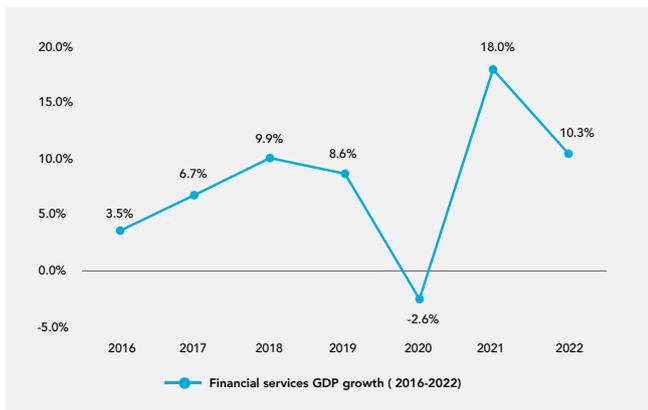
By the end of December 2023, the financial system consisted of 664 regulated financial institutions, which is an increase from 634 institutions at the end of December 2022. This increase in regulated financial institutions was primarily driven by new licensed Non-Deposit Taking Financial Institutions (NDFIs), including 12 lending only institutions and 6 Trust and Corporate Service Providers, TCSPs, and entrants in the payment industry. Specifically, in the banking sector, the number of Banks decreased to 14 from 15 due to a merger and acquisition of CogeBanque by Equity Bank Rwanda. In the insurance sector, the number of institutions increased to 18 from 17 due to licensing of 1 Mutual insurance insurance company. On the other hand, the number of PSPs increased by 11 to 33 in December 2023 following the licensing of new money transfer, payment aggregation, and E-Money issuers.

### 3.1.2. Foreign direct investment (FDI) into the financial services sector

The recent strong growth in Rwanda's financial services sector can be attributed to its success in attracting foreign investment. In 2020, the financial sector recorded the highest FDI inflows for all sectors, accounting for over 40% of the total FDI.

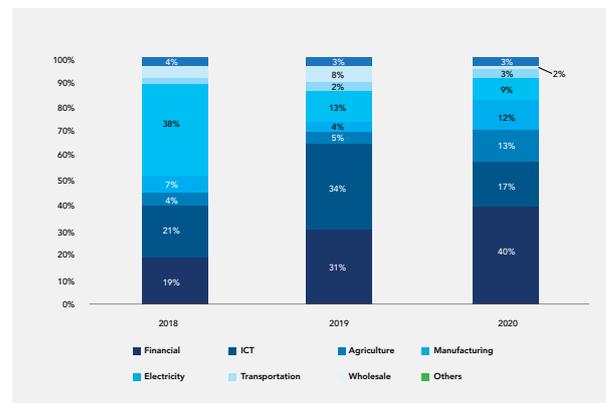
Exhibit 3: Financial Services Growth Rate and FDI inflows

Financial services sector growth rate (2016 – 2022)



Source: NISR, National Accounts, 2022

Top sectors attracting FDI inflows (2018 – 2022)



Source: NBR, Foreign Private Capital In Rwanda, Census Report, 2021

Relative to its size, and as a non-resource rich economy, Rwanda has attracted high levels of genuine value-creating investments. Over the period, of 2015 – 2022, Rwanda ranked 16th as the most attractive destination for globally sourced FDI in Africa by number of projects, 14th by jobs created, and 23rd by recipient of capital investment.

*Table 2: Capital Expenditure as a Share of GDP 2019*

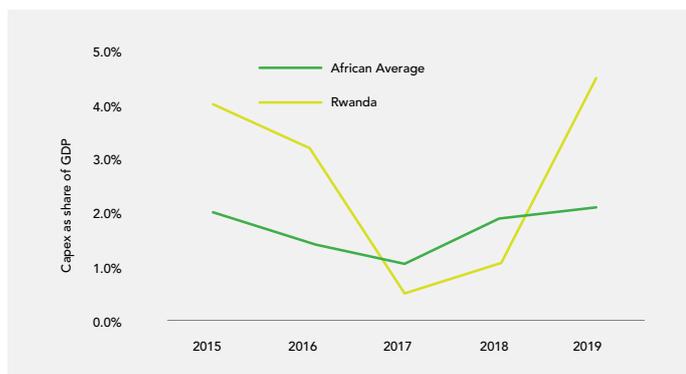
DESTINATION COUNTRY	PROJECTS	CAPEX (USD M)	CAPEX AS SHARE OF GDP 2019 (%)
South Africa	825	42,796.7	0.7%
Egypt	564	127,410.6	0.9%
Morocco	551	38,219.7	1.1%
Kenya	394	14,849.1	1.7%
Nigeria	384	47,257.5	1%
Ghana	243	20,238.0	2.9%
Cote d Ivoire	201	10,690.0	2.3%
Ethiopia	151	19,050.2	0.8%
Mozambique	130	23,584.5	2.2%
Tanzania	129	8,247.2	0.6%
Tunisia	112	5,198.2	1.9%
Uganda	111	13,717.5	1%
Algeria	108	20,587.6	0.2%
Senegal	88	6,208.2	3.8%
Zambia	88	6,422.7	1.2%
<b>Rwanda</b>	<b>77</b>	<b>3,976.5</b>	<b>4.5%</b>
Cameroon	73	4,212.7	1.3%
Zimbabwe	72	13,126.8	2.8%
Angola	70	16,375.4	1%

Source: Financial Times Ltd, fDi Markets ([www.fDimarkets.com](http://www.fDimarkets.com)), by VE

When accounting for capital investment as share of GDP, Rwanda has performed well over the years - relative to both the African average, and that of other major, and standout, economies on the continent. Over the period 2015 – 2019, Rwanda averaged 2.64% for inward capital investment as a share of GDP, compared to the African average of 2.02% (Exhibit ). Against Ghana, Tanzania, and Botswana – amongst Africa's fastest-growing economies – Rwanda also ranked highly.

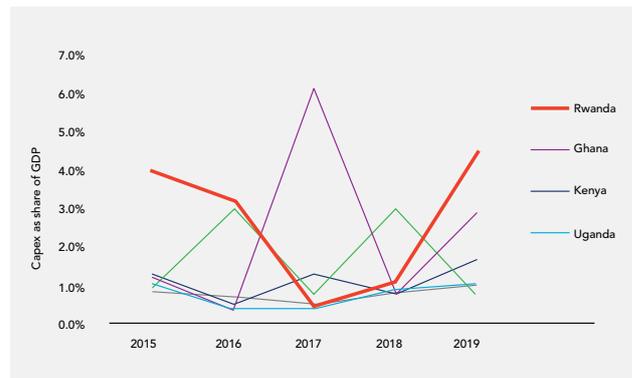
*Exhibit 4: FDI Inflows in Rwanda and Comparator Countries*

*Rwanda's receipt of capital investment as a share of GDP versus the African average (2015 - 2019)*



Source: Financial Times Ltd, fDi Markets ([www.fDimarkets.com](http://www.fDimarkets.com)), by VE

*Key African economies receipt of capital investment as share of GDP (2015 - 2019)*



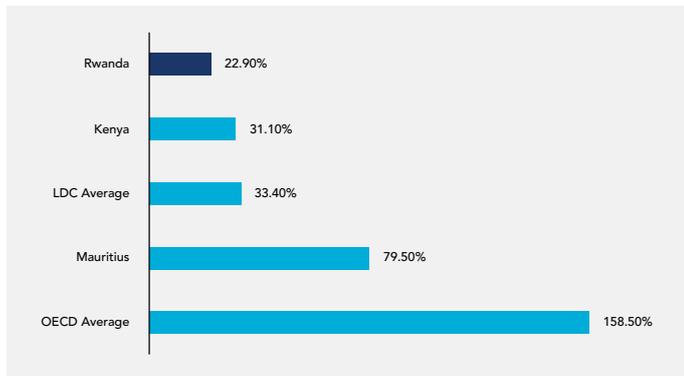
It is yet to be determined how increased levels of FDI in the financial sector will translate to employment growth and human capital development for the KIFC and Rwanda.

### 3.1.3. Financial Depth

Rwanda is still at the beginning of its financial sector transformation and its level of financial development is where it would be expected for a country of its size. Financial depth captures the financial sector size relative to the economy - a proxy variable is private credit relative to gross domestic product (GDP)<sup>3</sup>. On financial depth Rwanda falls below the LDC average, a potential indicator that Rwanda's financial services sector is smaller than would be expected given the size of the economy. However, on the IMF's Financial Development Index (FDI) which is a relative ranking of countries on the depth, access and efficiency of their financial institutions and markets, Rwanda comes in just ahead of the average for low income and developing countries.

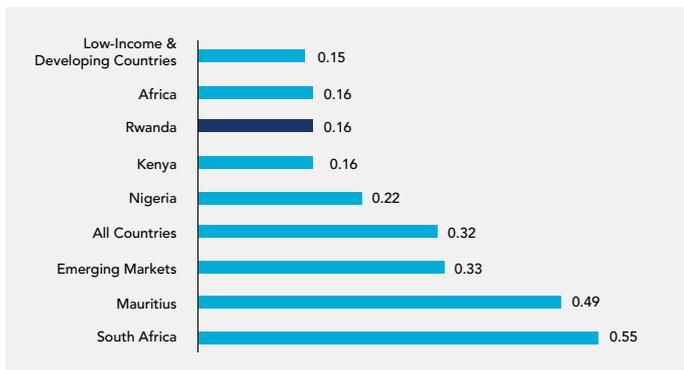
**Exhibit 5: International Indicators on Financial Depth and Development**

**Domestic Credit to Private Sector (% of GDP)**



Bank Source: World Bank <https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS?end=2022&locations=RW-XL-KE-MU-IW-OE&start=1960&view=chart>

**Financial Development Index (2021)**



Source: <https://data.imf.org/?sk=f8032e80-b36c-43b1-ac26-493c5b1cd33b&sid=1481126573525>

### 3.1.4. Key Takeaways

- Rwanda's economy has experienced consistent growth of 7-8% annually from 2016-2022, indicating strong foundational strength. The economy has successfully recovered after the contraction caused by the 2020 COVID-19 pandemic.
- The services sector now contributes to 44% of GDP. The government is actively promoting this structural transformation.
- The financial services sector accounts for 3% of the GDP and has witnessed an average annual growth of 7% over the past 7 years, reaching a peak of 18% in 2021. This growth is crucial for achieving Rwanda's development objectives.
- The influx of foreign direct investment (FDI), mainly, into the commercial banking financial sector attests to Rwanda's success in positioning Kigali as an attractive investment destination.
- The domestic retail banking sector dominates the industry, whereas international finance in banking is still in its infancy (See International Finance in Banking Definition in Table of Definitions).
- Rwanda is on par with its economic peers in terms of broader financial development indicators.

## 3.2. Employment trends in Rwanda's Financial Sector

### 3.2.1. The Rwandan Workforce

Over the past 50 years, the labor force has been growing at a rate of about 3% annually (NISR, Population and Housing Census 1978-2022). With a median age of 20 years, the labor force is expected to experience significant growth in the future, however, unemployment rates remain high, particularly among women and youth. Rwanda currently has 4.1 million active people in the labour force with the number of people entering the workforce expected to grow.

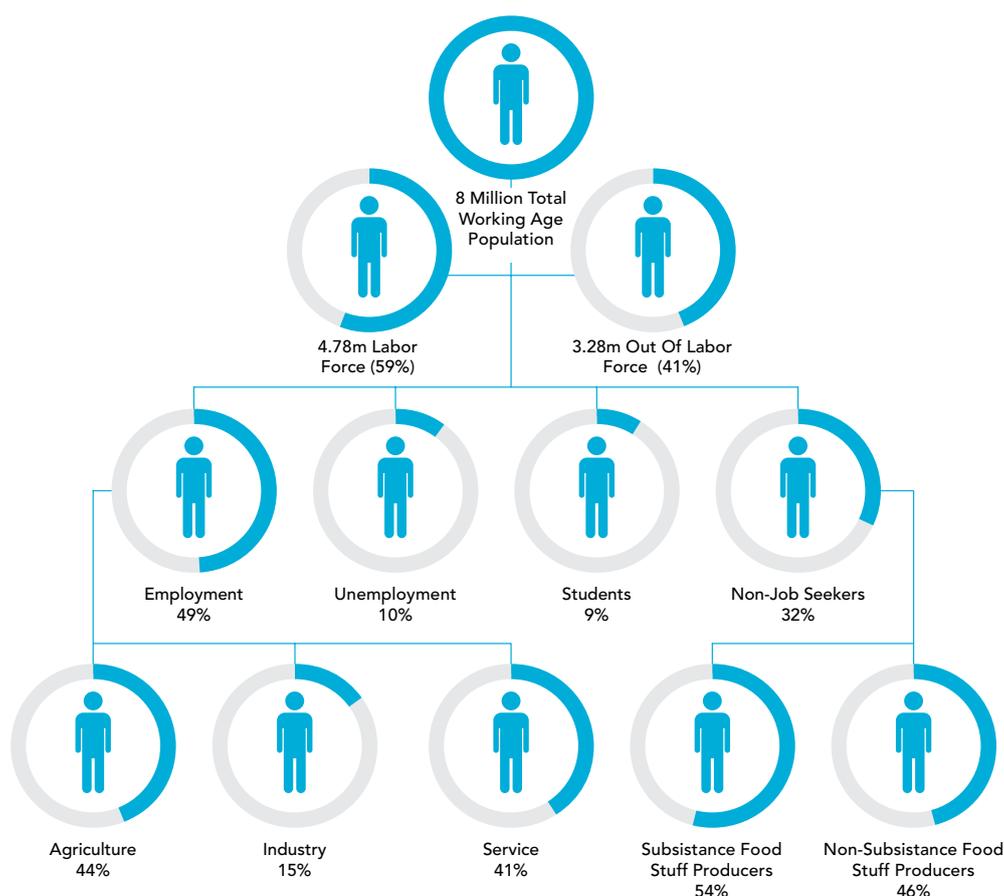
The working-age population (16 years and above) in Rwanda represents a valuable demographic segment that contributes to the nation's economic progress and development. Standing at around 8 million people, 59% actively participate in the labour force, and 41% are outside of the labour force<sup>4</sup>. Of those in the labour force, 49% are employed and 10% are unemployed. Of those outside the labour force, 9% are students, and 32% are not seeking employment (Figure 2). Men account for 57.5% of the employed population while women make up a larger share of unemployed, non-job seekers, and students<sup>5</sup>.

3 Domestic credit to private sector (% of GDP): the variable is defined as domestic private credit to the real sector by deposit money banks as percentage of local currency GDP <https://www.worldbank.org/en/publication/gfdr/gfdr-2016/background/financial-depth>

4 National Institute of Statistics Rwanda. (2022). Labor Force Survey 2023.

5 National Institute of Statistics Rwanda. (2022). Labor Force Survey 2023.

Figure 2: General workforce breakdown in Rwanda (2023)



Source: Compiled from NISR LFS 2022 data by VE

Note: “Unemployed” refers to individuals who are actively seeking employment but do not currently have a job. They are willing and available to work but are unable to secure employment now. On the other hand, “outside the labour force” refers to individuals who are not employed and are not actively seeking employment. They may have various reasons for not being in the labour force, such as students, retirees, stay-at-home parents, or individuals with disabilities who are unable to work. These individuals are not actively engaged in the labour market and are not counted as part of the unemployed population.

It’s important to note that these categories can sometimes overlap, as someone who is unemployed may later transition to being outside the labour force if they give up their job search. Additionally, people outside the labour force can re-enter by starting to actively seek employment. The distinction between unemployed and outside the labour force helps us understand different dynamics within the labour market and measure employment and unemployment rates accurately.

### 3.2.2. Employment performance

With the Rwanda economy undergoing significant structural transformation workers have gradually moved out of agriculture and into other sectors of the economy<sup>6</sup>. In 2023, 64% of households depended on agriculture for their income compared to 88% in 2002.<sup>7</sup>

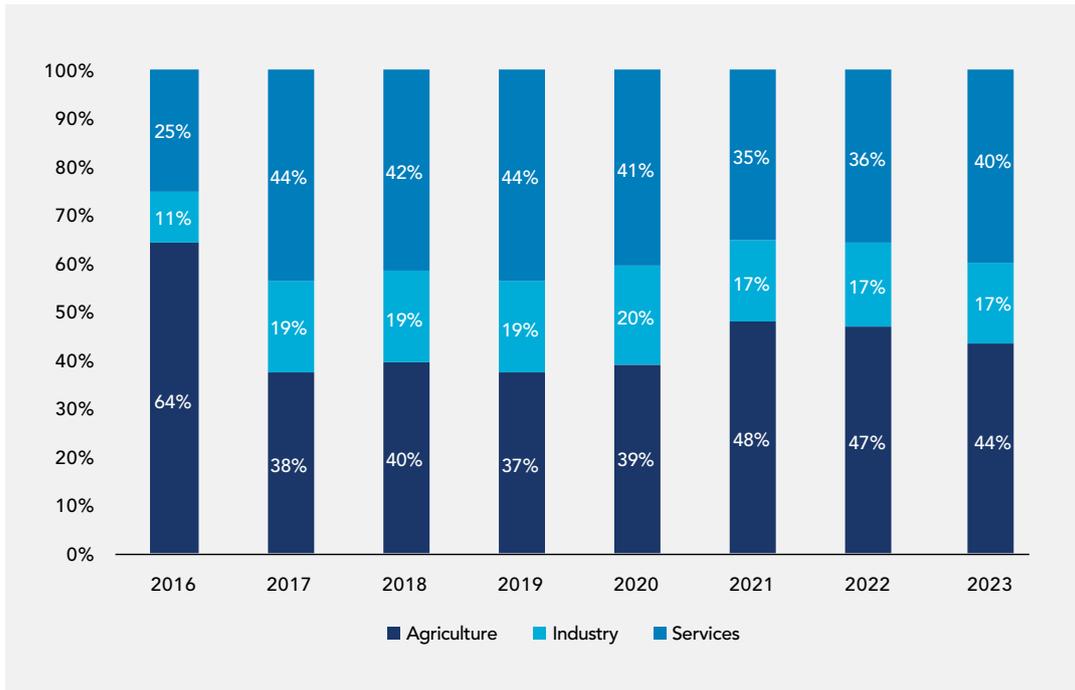
The largest share of the employed population today (44%) is focused on the agriculture sector. However, the service sector is also a large creator of jobs. On average, between the years 2016 and 2023, 38% of those employed were in the services sector, while 17% were in the industrial sector. The COVID-19 pandemic negatively impacted employment in the services and industry sectors and resulted in a decline in employment in both 2020 and 2021. Post Covid-19 employment is recovering with the economy recording an employment rate at 49% and unemployment at 17.2% in 2023.<sup>8</sup>

6 NISR, National Accounts

7 NISR, Population and Housing Census 2002-2023

8 RDB (2022) Rwanda Annual State of Skills Supply and Demand

Figure 3: Employment breakdown by sector (2016 – 2023)

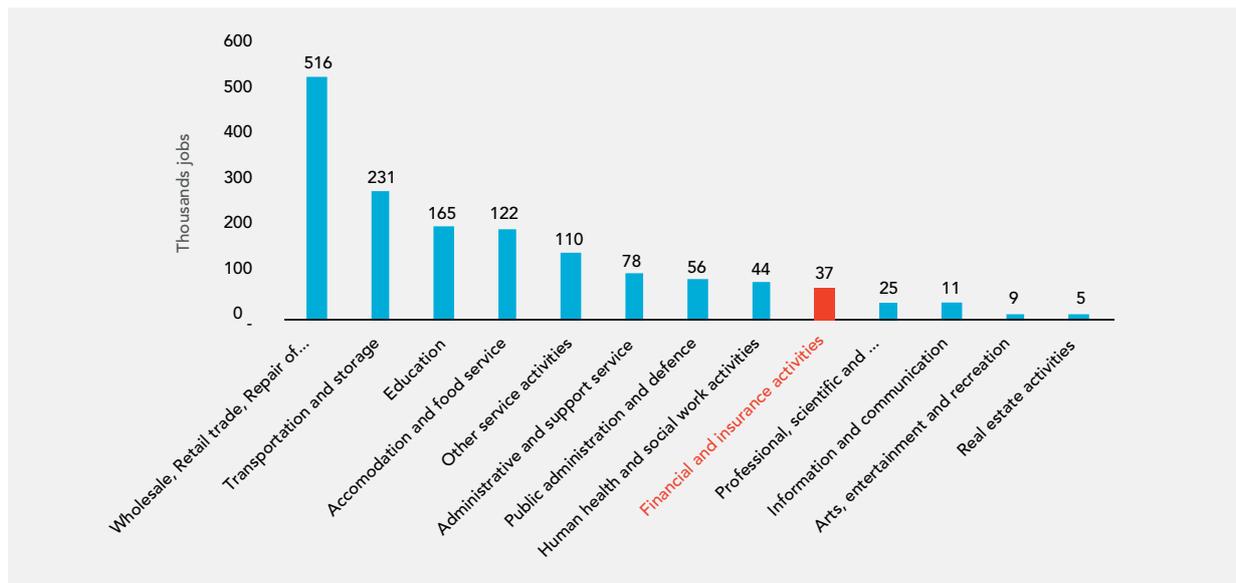


Source: NISR, Labor Force Survey, 2023

### 3.2.3. Employment trends

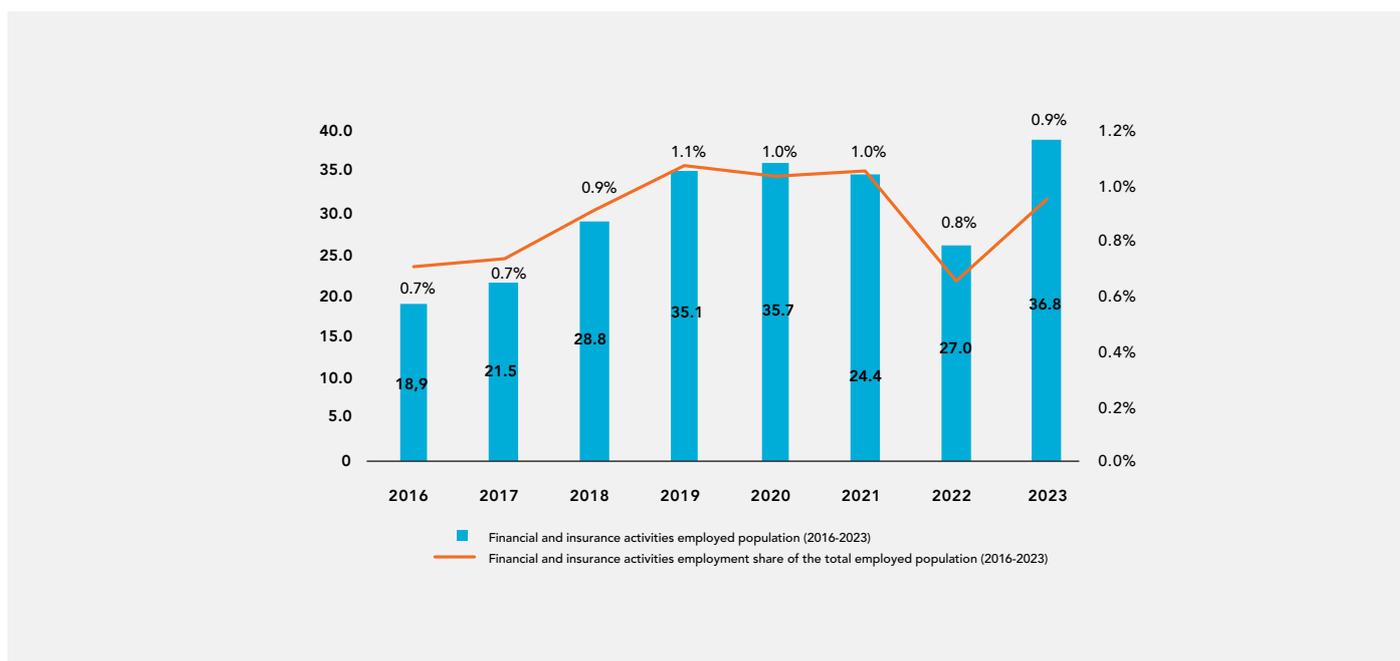
According to the latest LFS (2023) data, wholesale and retail trade constitute 13% of services sector employment and is the top-ranking generator of jobs in the services sector for 2023. Financial and insurance rank 10th, with an estimated 36,775 people employed in this space. This accounts for 0.9% of Rwanda's total workforce, a marginal increase from 0.6% in 2021. However, it is important to note that this ranking does not necessarily reflect the quality of jobs in these sectors.

Figure 4: Employment breakdown by service sub-sector (2023)



Source: NISR, Labor Force Survey, 2023

Figure 5: Number employed in the financial sector (finance & insurance) (2016 – 2023)

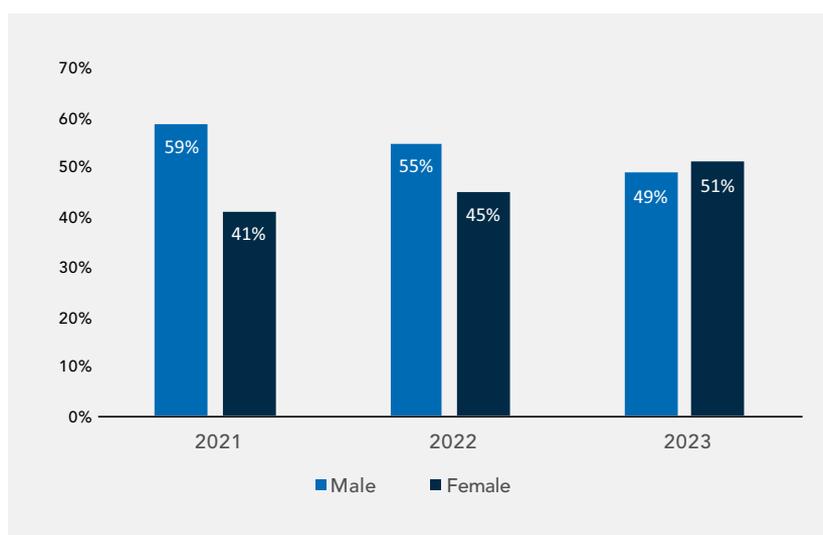


Source: NISR, Labor Force Survey, 2023

Importantly, the financial services sector is employing only a few educated workers. Workers who have completed at least a university level education account for 32% of total workers employed in the sector, and no single high-skill sub-sector – for instance Finance, ICT, Hotels, or Professional activities – accounts for more than 5% of total employment<sup>9</sup>

The financial sector is female dominated. Of the 36,775 people estimated to be employed in financial and insurance activities (as of 2023), 49% are men and 51% are women, showing a marginal increase from 41% over the last two years.

Figure 6: Financial sector employees gender distribution (2023)



Source: NISR, Labor Force Survey, 2023 data by VE

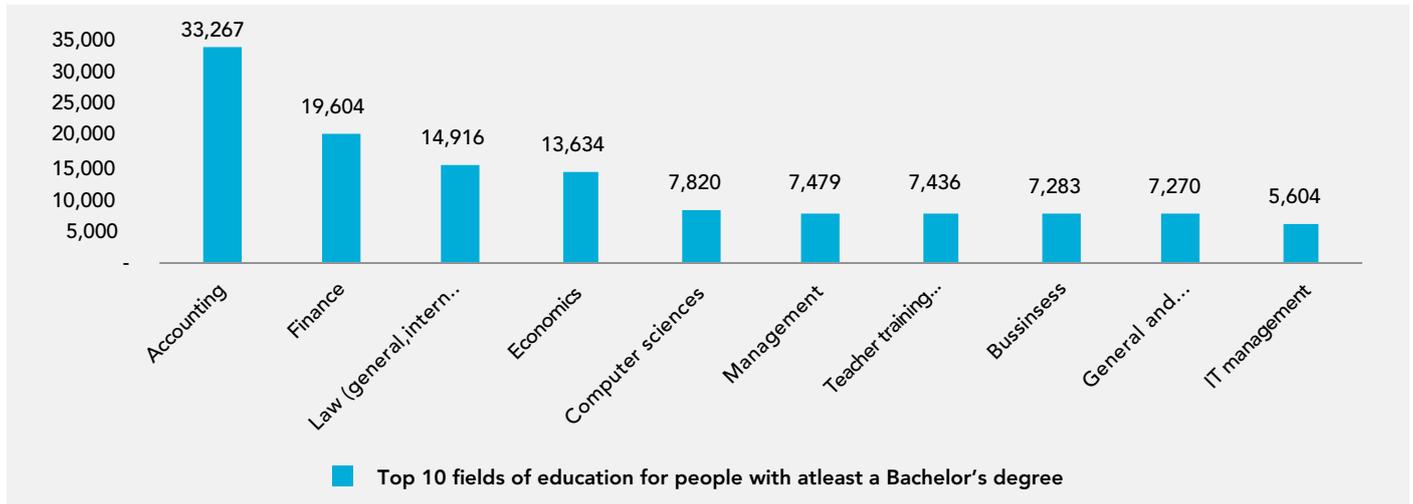
9 LFS, 2023

### 3.3. Education Trends in Rwanda's Financial Sector

#### 3.3.1. Employability Rates & Destinations for Finance and Accounting Graduates

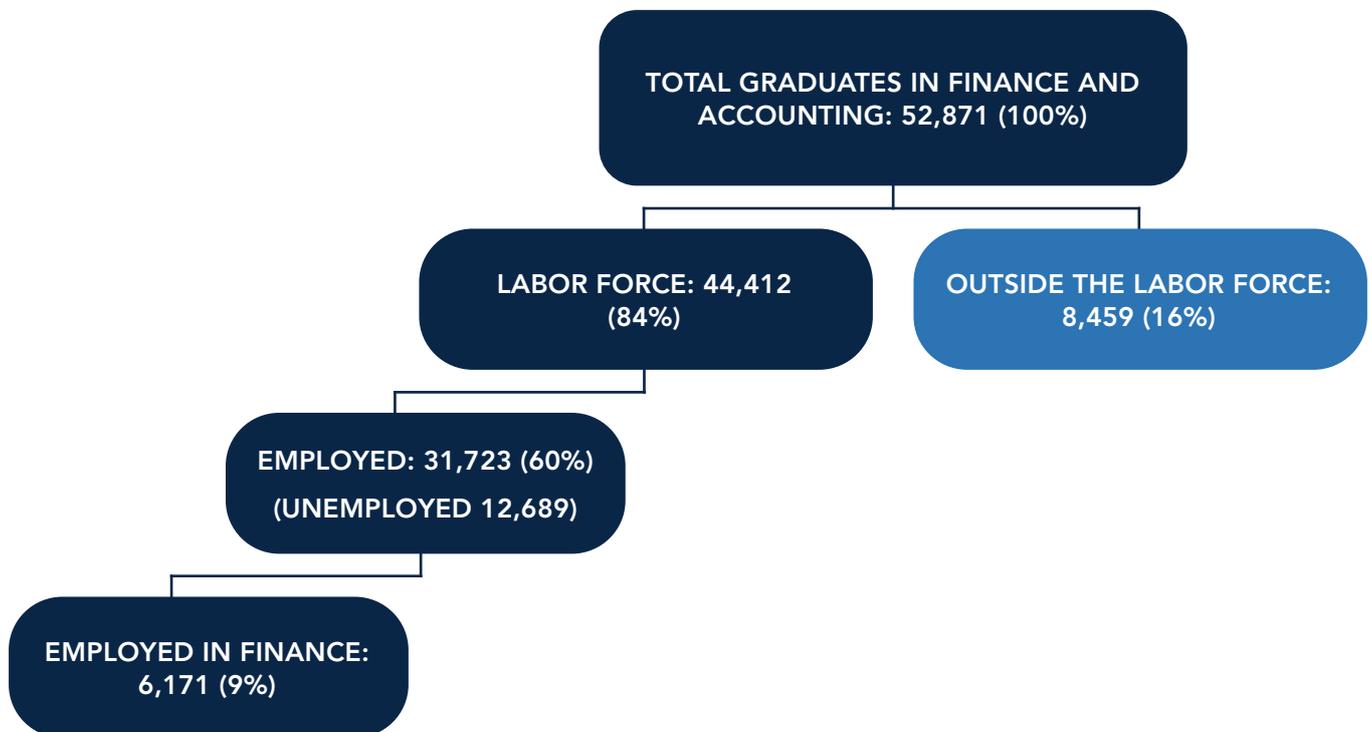
Finance and accounting are currently the most popular fields of higher education in Rwanda – ranking first and second most studied courses for people with at least a bachelor's degree. According to the latest available data, there are currently 33,267 graduates with at least a bachelor's degree in accounting and 19,604 in finance currently in the labor force.

Figure 7: Top 10 education fields for students with at least a bachelor's degree (2022)



On the surface this trend is positive. However, only 67% of the total 52,871 finance and accounting graduates are employed (see Figure 8). This signals gaps in relevant skills and qualifications that make graduates employable. The low employability rate also implies limitations in how well university curriculums are aligning with industry needs.

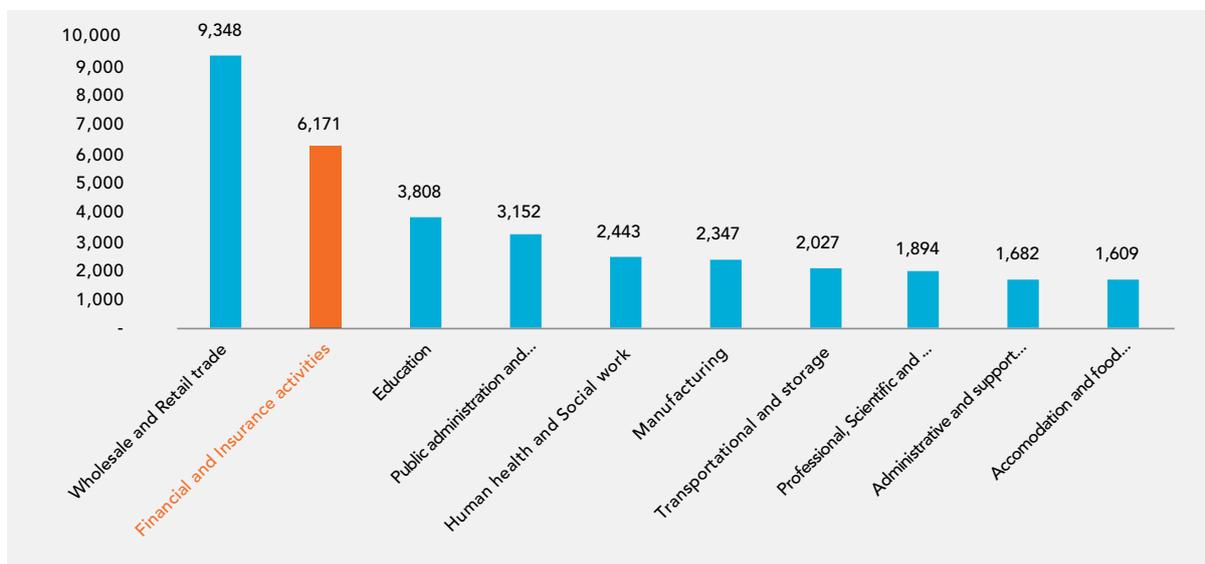
Figure 8: Accounting and Finance Graduates Employability Rates (2023)



Source: NISR, Labor Force Survey, 2023

Furthermore, just 28% of employed finance/accounting graduates work in the finance sector. The majority end up in sectors like public administration, education, and wholesale/retail. This misalignment demonstrates that students are not gaining the specific technical skills, experience, and knowledge required for financial services roles and that the sector is not creating enough demand for Rwandan graduates.

Figure 9: Sector destinations for finance and accounting graduates (2022)



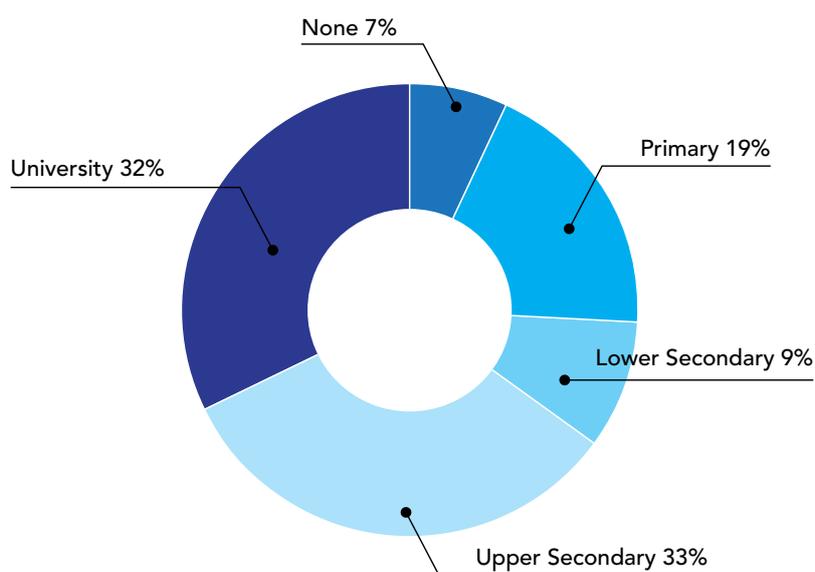
Source: NISR, Labor Force Survey, 2022

To conclude, Rwanda produces many finance and accounting graduates, but their low employability and low concentration in the finance sector point to a mismatch between the qualifications and skills being taught, and what the industry demands from the workforce. Addressing this mismatch is critical for strengthening Rwanda’s talent pipeline for the financial sector.

### 3.3.2. Education attainment of employees in the financial sector

According to the LSF 2023, university graduates make up 32% of all financial sector employees. The remaining 68% of employees possess a secondary education certificate or lower. The high share of low qualification employees in financial services may be an indication that the sector is not currently generating many high skilled jobs and that less specialised positions require relatively little training to be filled.

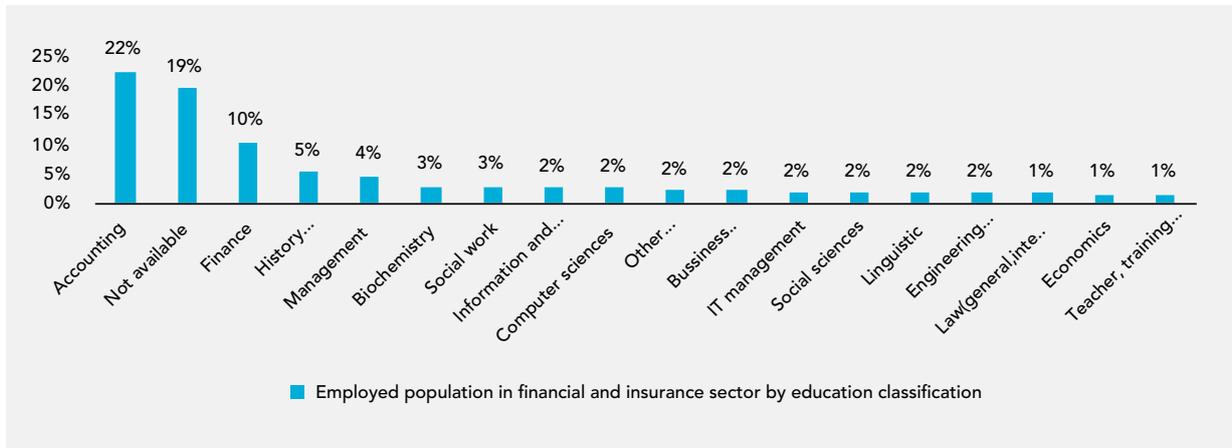
Figure 10: Educational attainment level of financial sector employees (2023)



Source: NISR, Labor Force Survey, 202

For those with higher education in the financial sector, there is a high concentration in accounting (22%) and finance (10%), but over 60% come from other fields. This points to potential skills mismatch or the need for a diverse set of qualifications in the sector.

Figure 11: Top fields of higher education for people employed in the financial sector (2022)

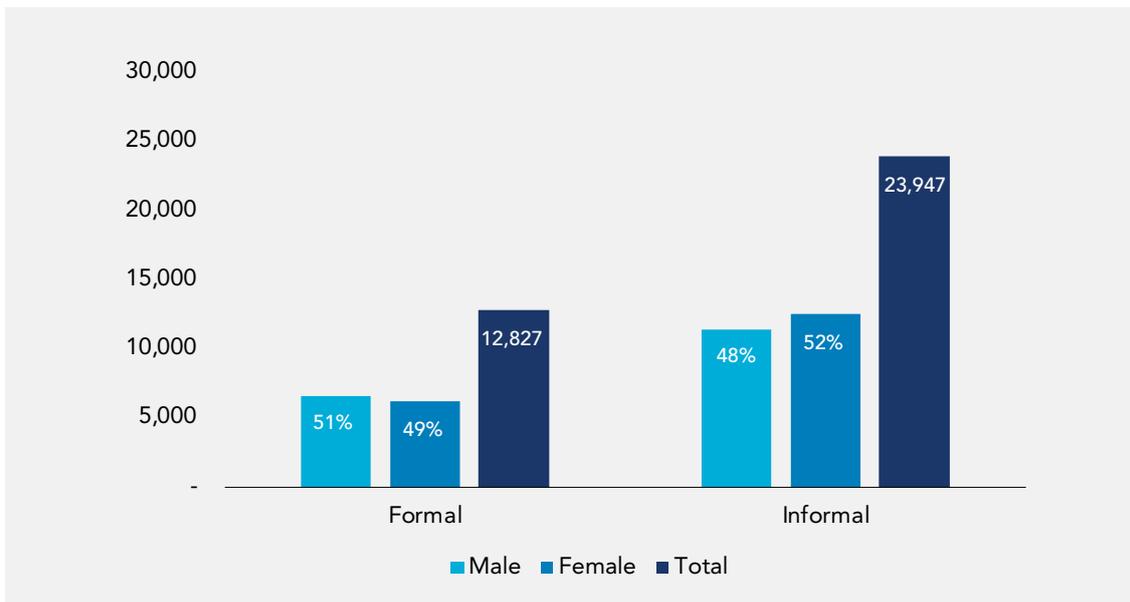


Source: NISR, Labor Force Survey, 2022

### 3.3.3. Roles and Positions in Financial Services

As indicated in the LFS 2023, only 35% of those employed in the financial services sector are in formal employment, while majority undertake informal employment activities.

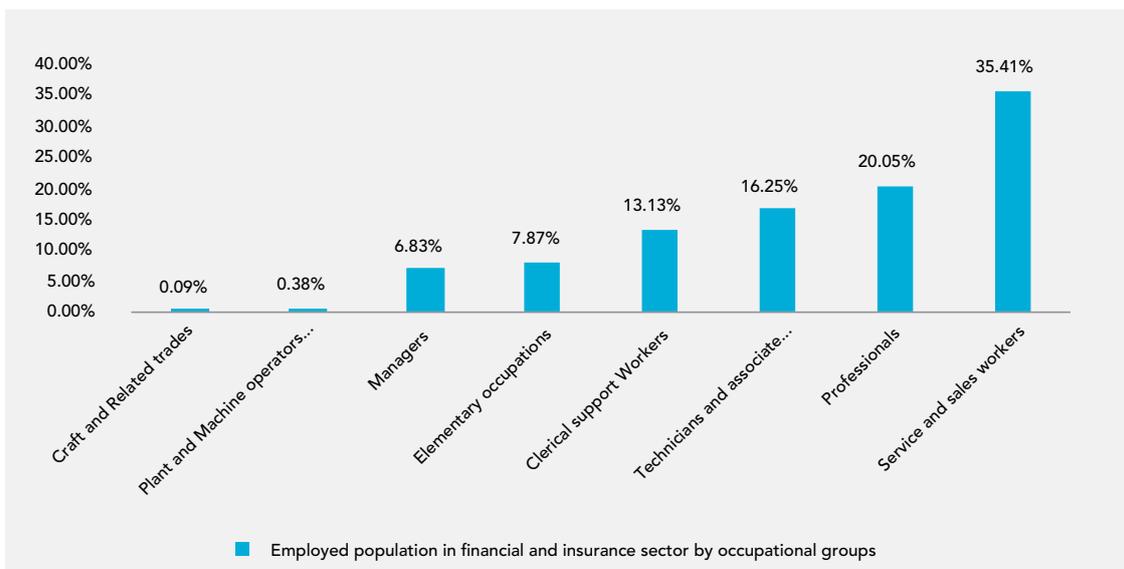
Figure 12: Formal Employment vs Informal Employment 2023



Source: NISR, Labor Force Survey, 2023

The financial sector is also dominated by basic service and sales roles (36%), rather than advanced technical and professional roles, which may highlight the lack of specialised expertise in the sector.

Figure 13: Occupational breakdown of people employed in the financial sector (2022)

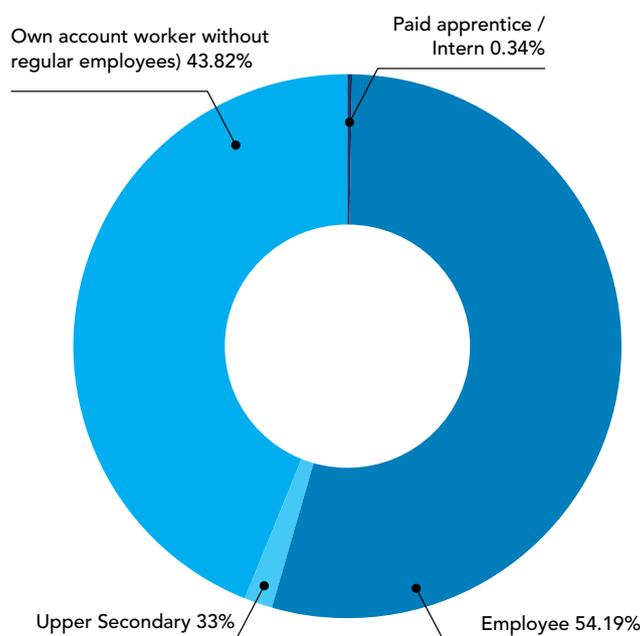


Source: NISR, Labor Force Survey, 2022

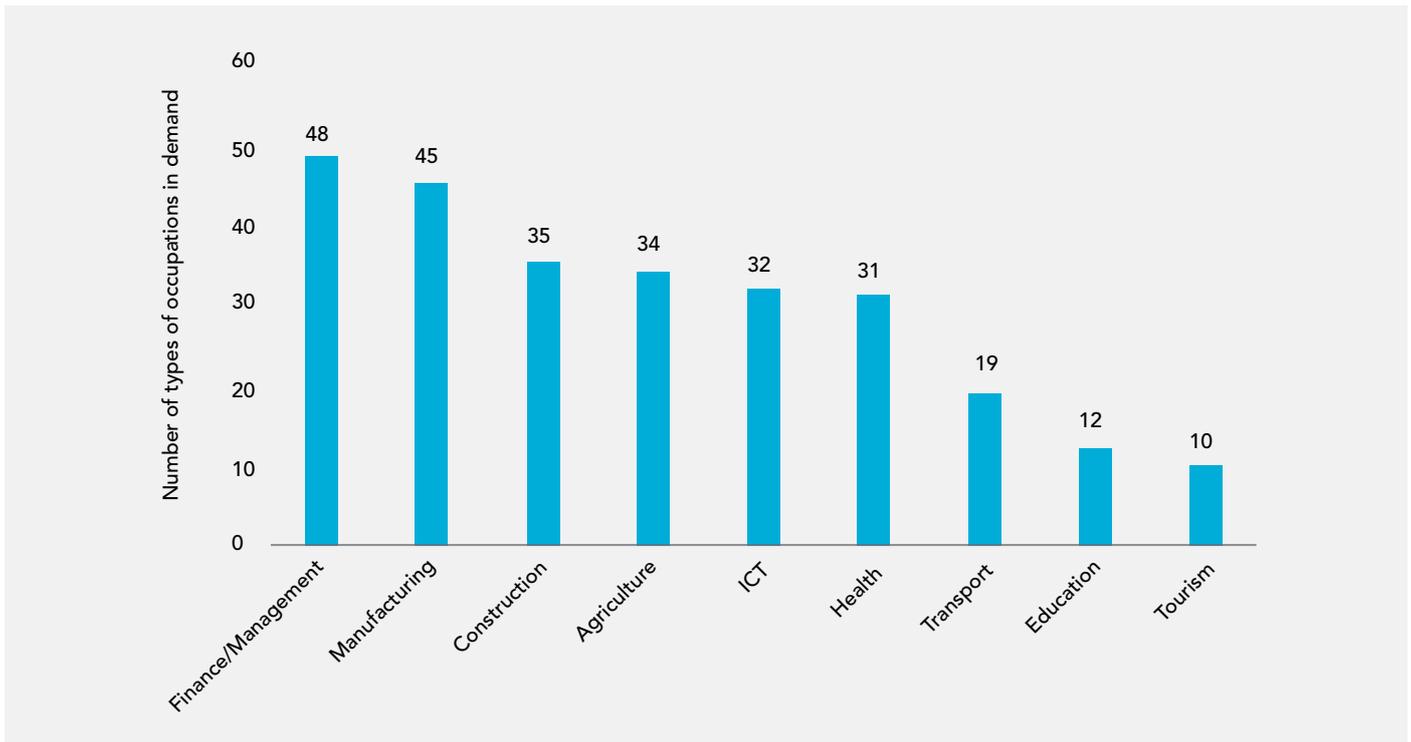
Of those employed in the financial sector, 54% are listed as employees, and 44% are own-account workers (not regular employees). This may be indicative of challenges in retaining and attracting high-quality talent within the industry. The professionals are a group that includes occupations whose main tasks require a high level of professional knowledge and experience in the field or finance.. Professionals hold 3rd degree qualifications – ILO ISCO 88.

The Rwanda Development Board (RDB) has identified the financial sector as having the highest demand for various occupations in Rwanda. While this supports the notion that there is an elevated level of demand for talent, skills, and expertise within this sector, other employment indicators appear to contradict this, i.e., 51% of employees in the sector do not hold a third level qualification.

Figure 14: Employment status breakdown of people employed in the financial sector (2022)

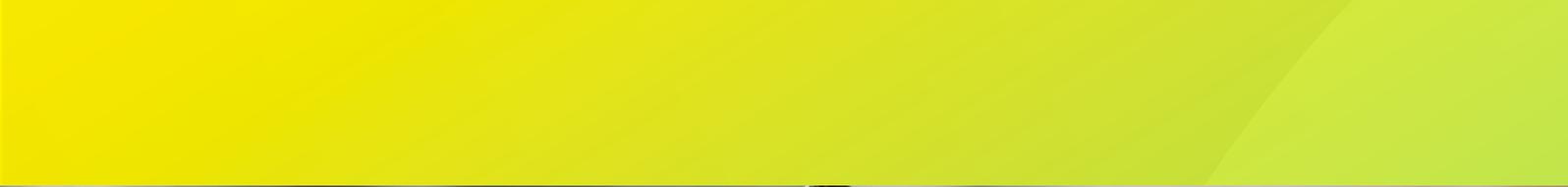


Source: NISR, Labor Force Survey, 2022

*Figure 15: Rwanda Development Board's (RDB) annual state of skills supply and demand (2022)*

Source: RDB Annual State of Skills Supply and Demand Report 2022

For Rwanda to transform into a sophisticated financial sector, higher-complexity roles are needed e.g., investment advisors, financial analysts, data analysts, fund managers et al. This requires strategic upskilling initiatives, workforce planning and forecasting to anticipate demand for high-skill roles and to develop talent pipelines accordingly.



# Survey and Qualitative Findings

## 4. SURVEY AND QUALITATIVE FINDINGS

### 4.1. Introduction

This chapter focuses on data obtained at the individual and firm level in the Rwandan Financial Sector. The data is presented in 5 sections. This introduction section is followed by section 4.2 which reports Individual perspectives on the skills gaps, section 4.3 which reports the firm-level skills gaps, 4.4 presents a summary of the skills gaps identified from the survey and 4.5 discussion of survey results triangulated with interview data.

This study adopted a mixed-method methodological approach, combining primary and secondary quantitative and qualitative data collection. Triangulation and analysis of the data collected were used to identify key themes in the skills assessment and yield nuanced findings and recommendations. In this study, the sample size of respondents to the survey changed based on the number of respondents that answered a particular question.. Nevertheless, the individual level survey was still representative of skills gaps in the industry. At the firm level, the respondent firms were more evenly spread and in the main aligned with the NISR data on the insurance and financial sector. Furthermore, the Key Informant Interviews, KIs compensated for any survey level respondents' biases as representative sampling from every industry in the sector was achieved. Results of the KIs were triangulated with the survey to give a more nuanced interpretation of the findings.

### 4.2. Context: Mapping the Existing Skills Base for the Kigali International Financial Centre

This Survey attempts to answer three broad questions:

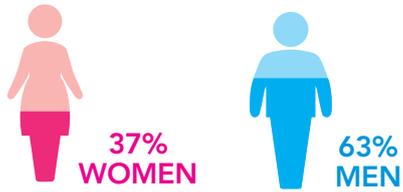


#### 4.2.1. Macro-level Survey Results and Analysis

Perhaps a better indication of financial skills, as it relates to the needs within the KIFC, would be to just focus on the financial services sector within Rwanda. The raw data on employment of nearly 1,000 workers in the financial services sector in the City of Kigali allows for the creation of a profile for the conventional worker in this sector in the city. On average, these employees are 39 years old, have been working for their current company for less than five years and possess a bachelor's degree. Circa 2% of employees have a Professional Certification (2023 Survey).

Exhibit 6: Profiles of City of Kigali Domestic Financial Sector Workers Provided by HR Departments

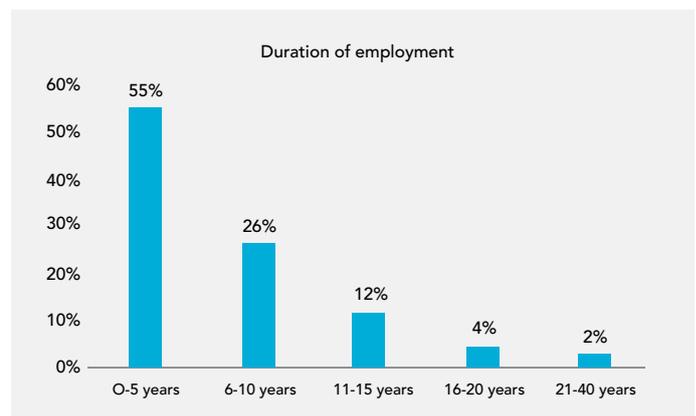
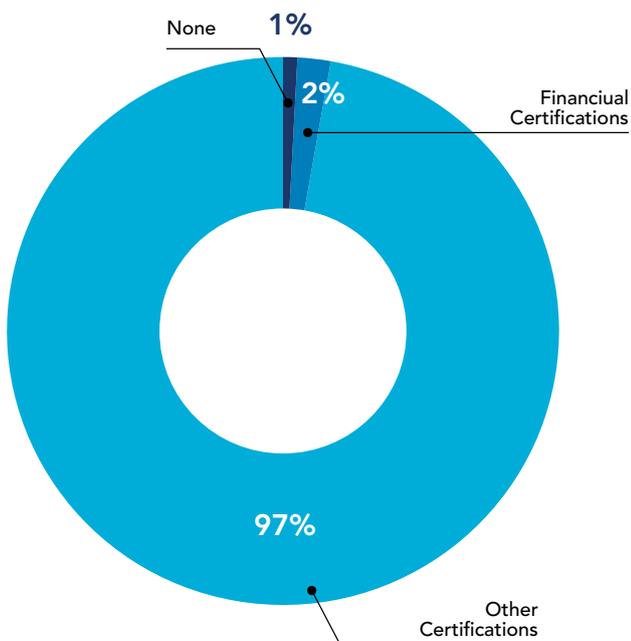
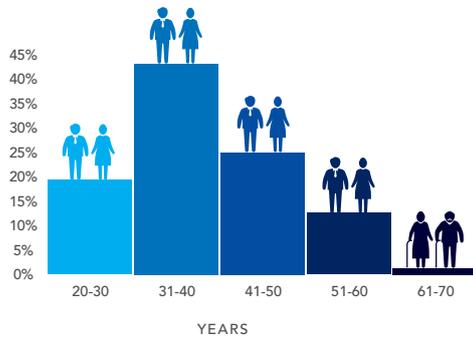
Age distribution 62% of respondents are under the age of 40.



**85%**  
HAVE A DEGREE  
CERTIFICATE



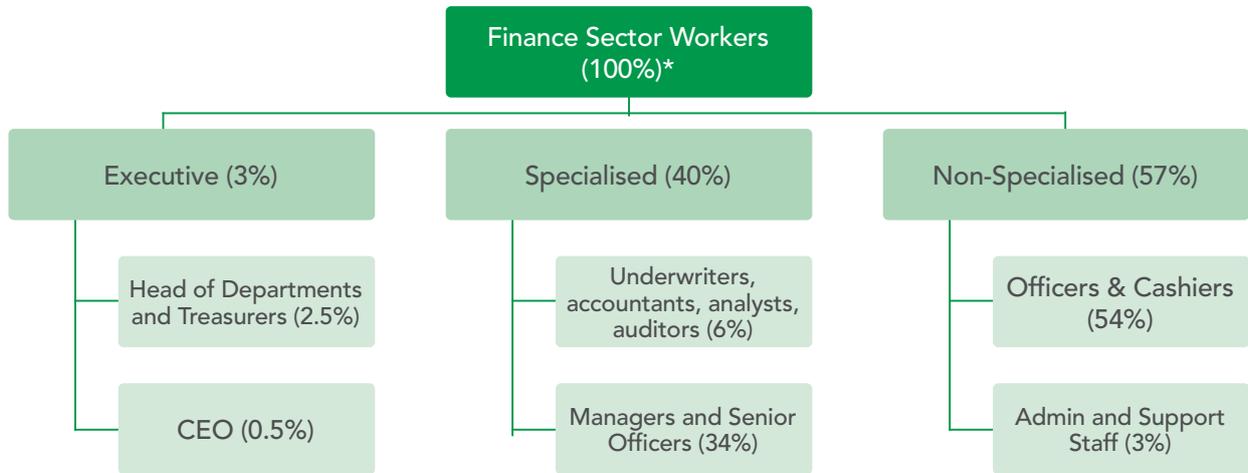
Age distribution 62% of respondents are under the age of 40.



Source: Employment profiles of over 1,000 workers in the financial services sector in the City of Kigali  
Source: Vanguard Economics, 2023

A breakdown of employees based on their positions allows for the distinction of specialized roles. More than half (57%) of the employees occupy basic service, sales, or administrative positions, while 40% hold more technical roles such as analyst, accountant, underwriter, auditor, or senior management positions. Unsurprising a low share (3%) are in executive level positions.

Figure 16: Positions for sample of 1500 Job Profiles in Domestic Financial Sector in Kigali

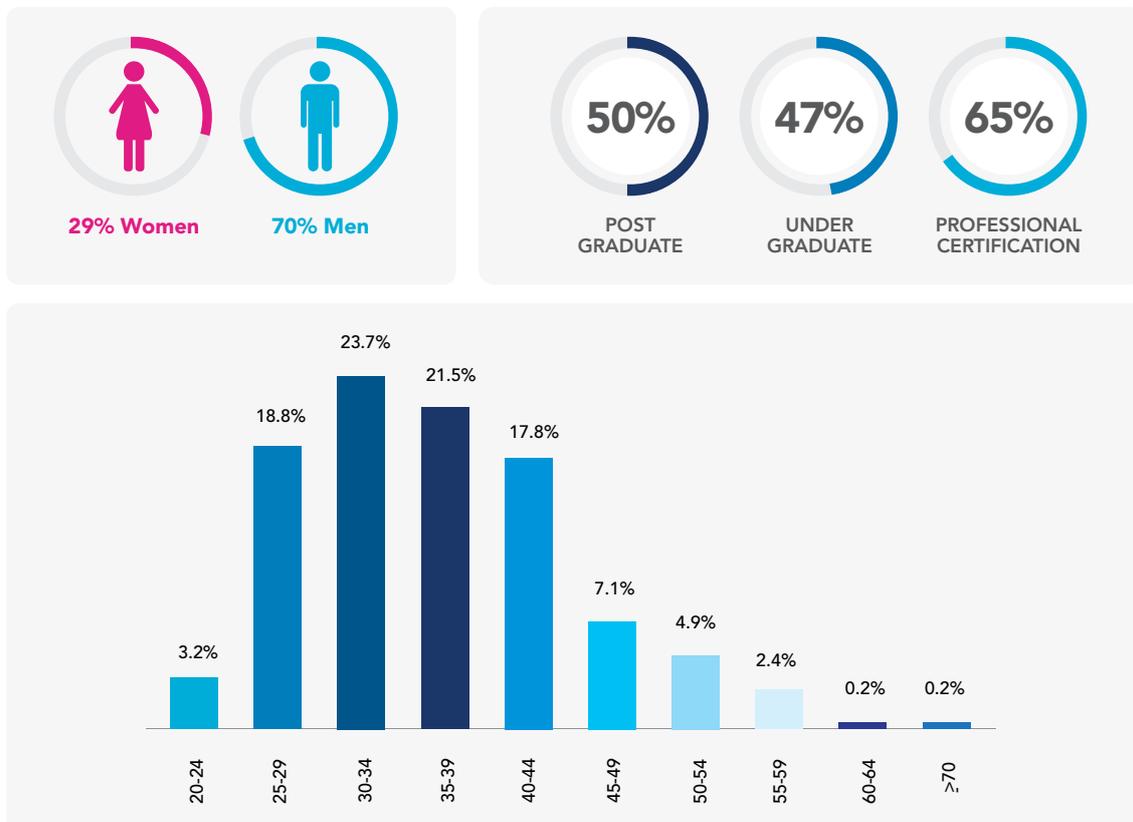


Source: Vanguard Economics, 2023 (Consolidated employment data from 8 financial institutions in Kigali and 1574 observations)

#### 4.2.2. Individual Level Survey Results & Analysis

This section is divided into four sub-sections which cover the survey coverage, the current skills level, the skills gaps, and how to bridge the skill gaps. Individual respondents were mostly male, close to half are youth and all have a university degree. This is generally representative of the workforce in Kigali.

Exhibit 7: Demographics from the Survey



\*Consolidated employment data from 8 financial institutions in Kigali and 1574 observations  
 Source: Financial Sector Skills Survey, 2023

### 4.2.3. Questionnaire Survey Coverage

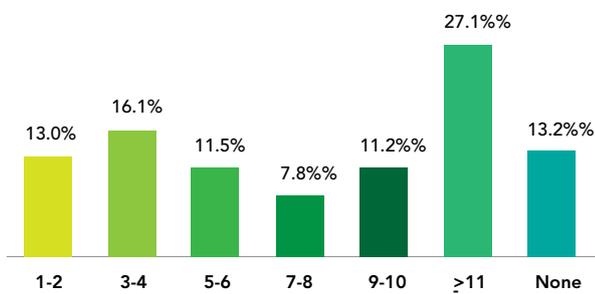
Total Individual Respondents and Generic Information:

A total of 409 people participated in the survey. The survey included individuals who work in 17 various industries within the financial sector. These industries include Commercial Banks, Fintech, Investment Banks, Regulatory Bodies, Development Bank, Central Bank, Accounting, Stock Exchange, Auditing, Insurance, Legal, Micro-Finance, Pensions, Angel Investors, Venture Capital, and the University/Education sector.

31.9% of the individuals who responded work in large firms, indicating a higher response rate among employees in large firms compared to SMEs.

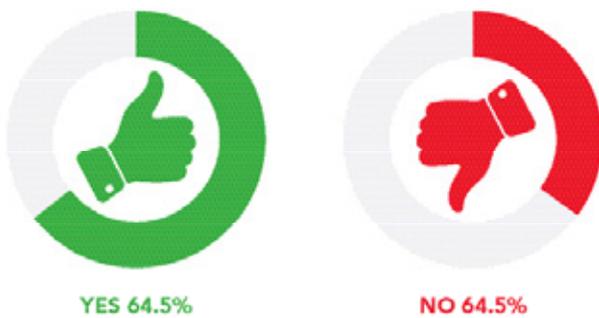
#### Question 4.2.1c. Industry Experience (years)

On experience, most of the respondents had less than 10 years experience with only 27.1% of respondents with over 10 years experience. Interestingly, 13.2% had no financial sector experience at all.



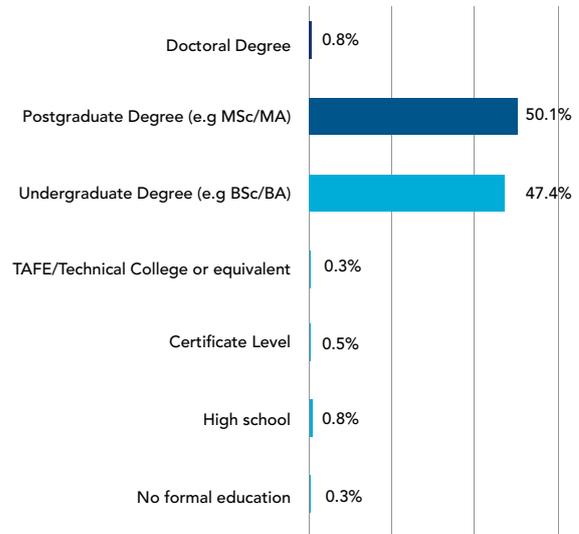
#### Question 4.2.1d. Possession of Professional Certification?

64.5% of the respondents of the online survey have a professional certification, while 35.5% respondents had none. Given that 86.8% of the respondents (Q.4.2.1c) have financial sector experience and already working in this sector, it is inevitable that this rate might be high.



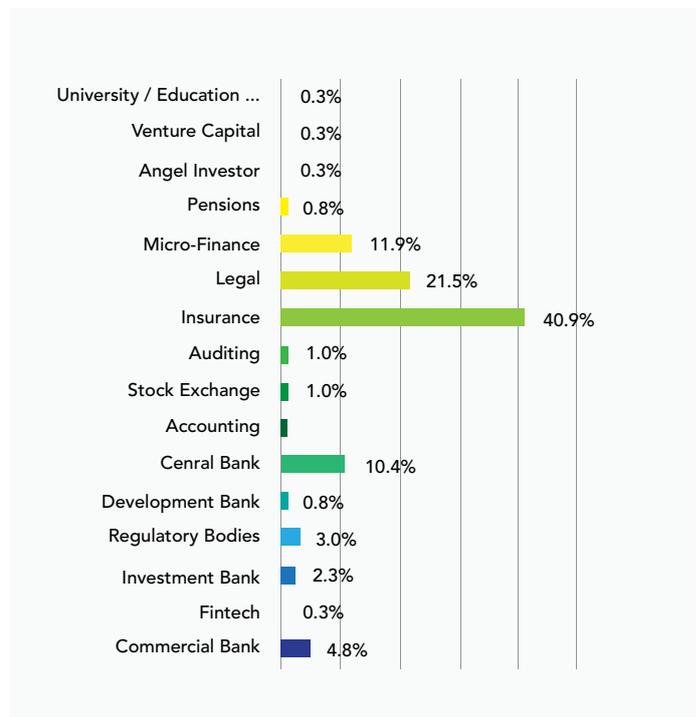
#### Question 4.2.1e. Highest Education Qualification

98.3% respondents had at least a BSc level university degree. 50.1% have a master's degree and 0.8% (3 respondents) have a Doctorate.



#### Question 4.2.1f. Participants' Type of Organisation

There was a total of 396 respondents' organizations that participated in the survey. The top 3 industries that respondents worked for were 1. Insurance: 162 (40.9%), 2. Legal: 85 (21.5%) and 3. Micro-finance 47 (11.9%).

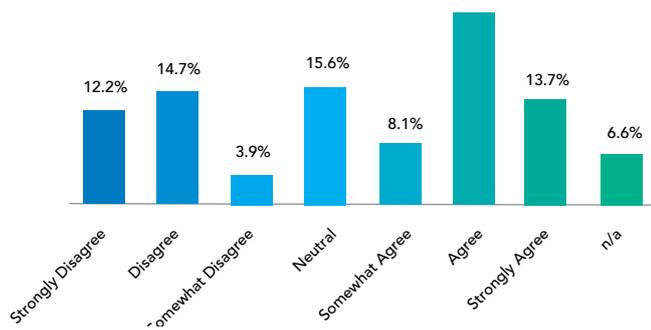


### 4.2.4. Present Skill Levels in the Sector

This sub-section presents results on the current skills level in the financial sector from the perspectives of individuals. Results were analysed across a seven-point scale of Agreed (Somewhat agreed – Strongly agreed) or Disagreed (Strongly Disagree - Neutral).

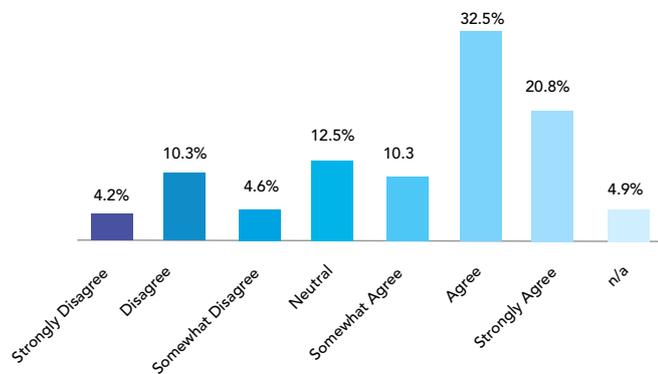
#### Question 4.2.2a. My organisation's product(s) is (are) classified as sophisticated.

46.9% of respondents believe their organization's products are sophisticated. 46.5% disagree, while 6.6% assume their products are not related to such a description.



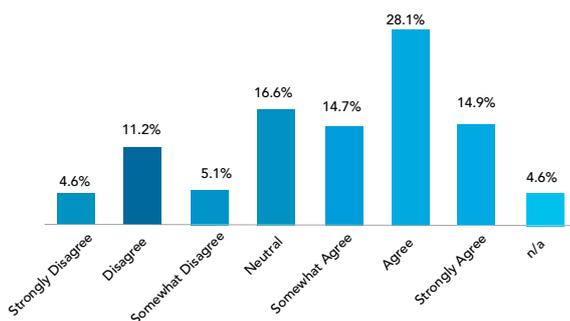
#### Question 4.2.2c. Specialised Know-how Required for Products.

Of all respondents, 63.6% believe their organization's products require specialist know-how skills. 31.5% disagree, while 4.9% assume their products are not related to specialist descriptions.



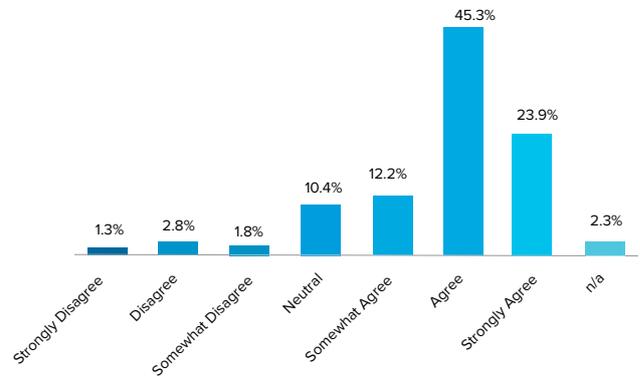
#### Question 4.2.2e. Products Steeped in Technology

57.7% of respondents believe their organization's products are rooted in technology. 37.7% disagree while 4.6% presume technology is not related to their product.



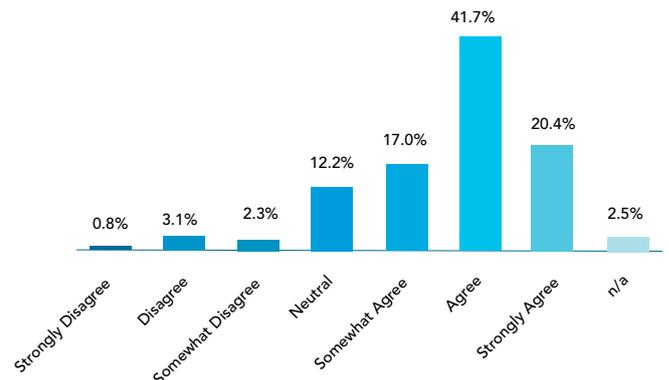
#### Question 4.2.2j. Adequate Knowledge of Technology

16.3% of respondents do not have enough technological know-how. 2.3% of respondents find this question not applicable to their own role, while 81.4% of respondents have adequate knowledge of technology.



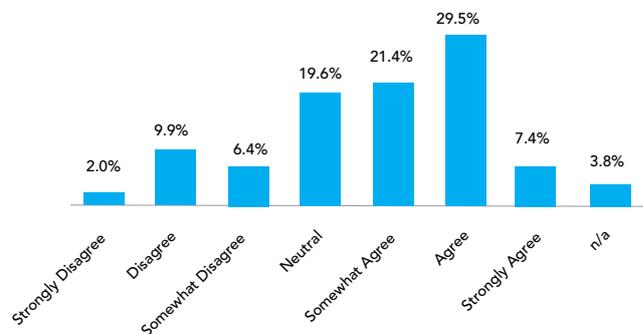
#### Question 4.2.2k. Understanding of Digital Technology

18.4% of respondents do not understand digital technologies, 2.5% assume digital technologies is not applicable to them, while 79.1% have a good understanding of digital technology.



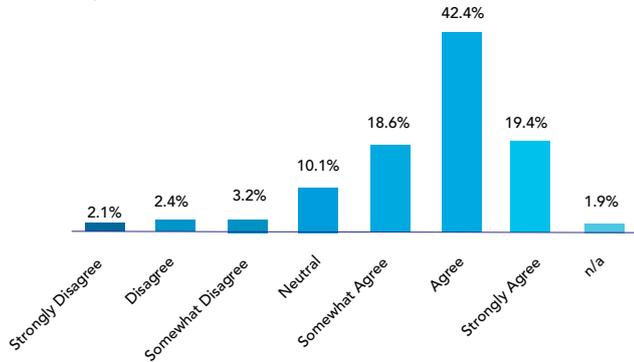
#### Question 4.2.2m. Understanding of International Financial Markets

60% of respondents do not fully understand the workings of international financial markets, while 3.8% of respondents assume this skill is not applicable to them.



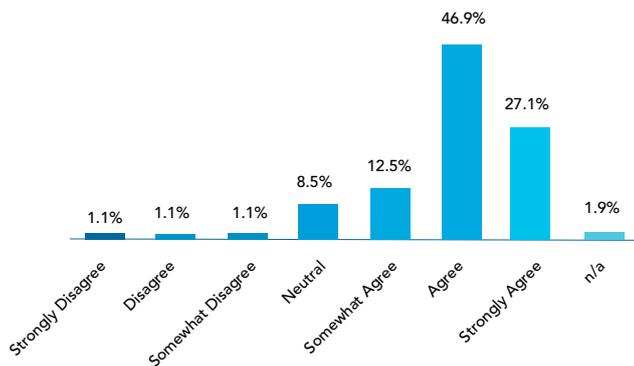
**Question 4.2.2q. Trained in Leadership Skills**

17.8% of respondents disagree that they have been adequately trained as leaders, 1.9% of respondents assume this skill is not applicable or necessary for them, while 80.3% of respondents agree that they are adequately trained as leaders.



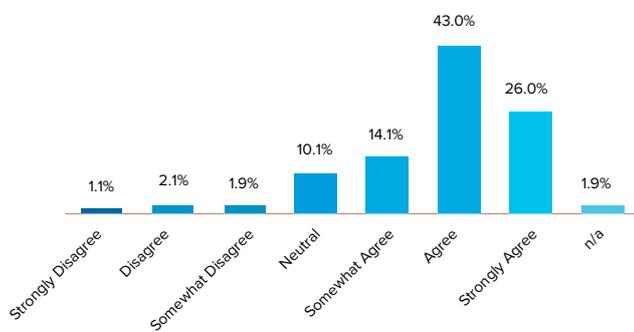
**Question 4.2.2r. Analytical PS & DM Skills**

11.7% of respondents disagree that they have adequate analytical PS and DM skills. 1.9% of respondents feel this skill is not applicable to them, while 86.4% of respondents agree that they have adequate analytical PS and DM skills.



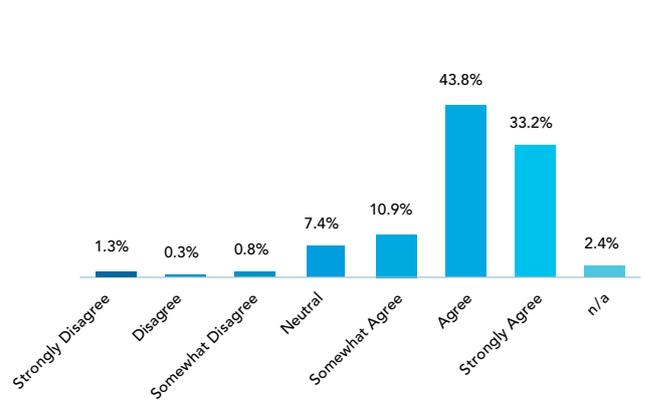
**Question 4.2.2s. Understanding of Corporate Governance**

On the understanding of corporate governance, 15.1% of respondents disagree that they have adequate corporate governance understanding. 1.9% of respondents assume this skill is not required of them, while 83.0% of respondents agree that they have a good understanding of corporate governance.



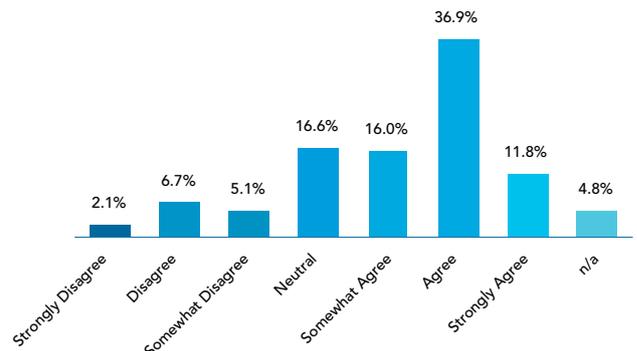
**Question 4.2.2t. Good Communication & Interpersonal Skills**

9.8% of respondents disagree that they have good communication and interpersonal skills, 2.4% of respondents assume this skill is not applicable to them, while 87.8% of respondents agree that they have good communication and interpersonal skills.



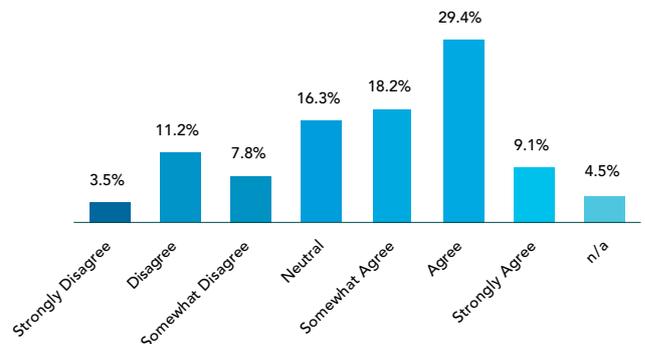
**Question 4.2.2u. Fund Administration Knowledge**

30.5% of respondents do not have knowledge of fund administration, 4.8% of respondents assume this skill is not applicable to them, while 64.7% of respondents agree to have good knowledge of fund administration.



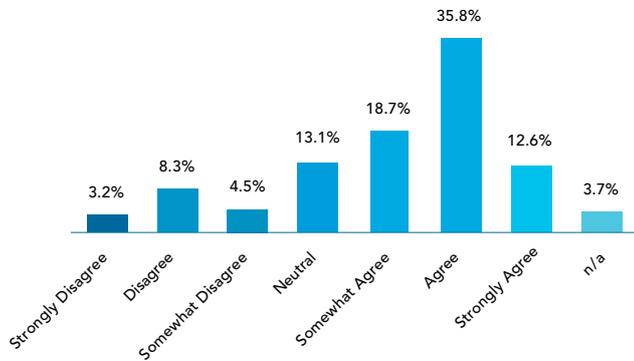
**Question 4.2.2v. Knowledge of Trusts and Foundations**

38.8% of respondents do not have knowledge of Trust and Foundations. 4.5% of respondents assume this skill is not applicable to them, while 56.7% agree that they have knowledge of Trusts and Foundations.



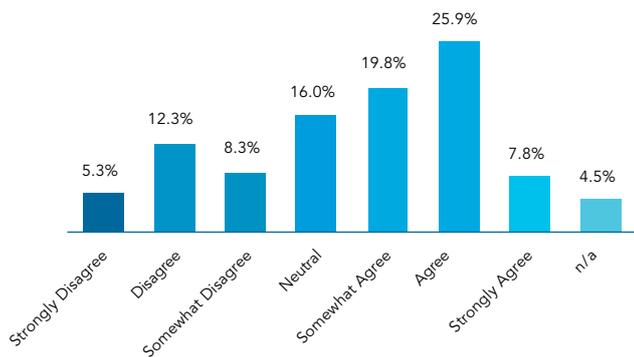
**Question 4.2.2w. Knowledge Wealth and Asset Management**

29.1% of respondents do not have knowledge of wealth and asset management, 3.7% of respondents assume this skill is not applicable to them, while 67.2% of respondents agree to have knowledge of wealth and asset management.



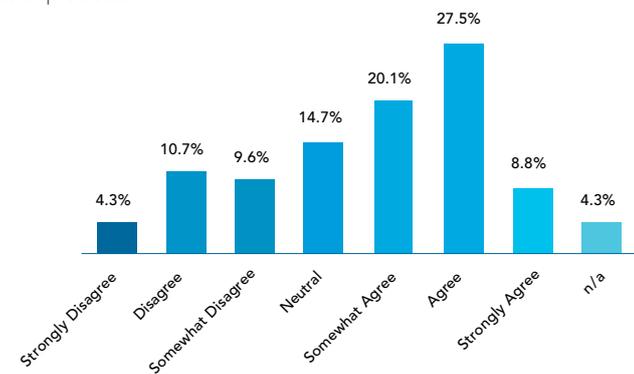
**Question 4.2.2x. Knowledge of FOREX and Commodities**

Knowledge of FOREX and Commodities: 41.9% of respondents do not have knowledge of FOREX and commodities. 4.6% of respondents assume this skill is not applicable to them, while 53.5% of respondents agree that they have knowledge of FOREX and commodities.



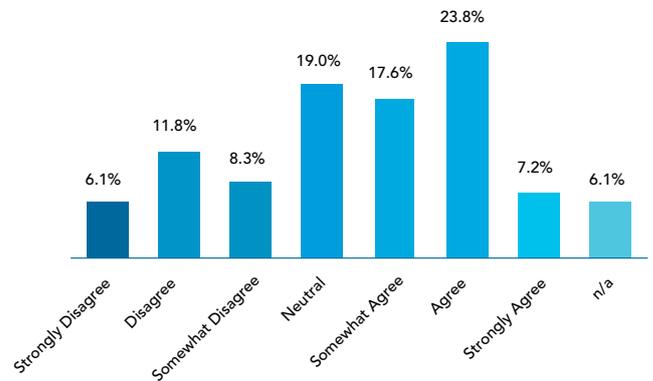
**Question 4.2.2y. Knowledge Capital Market Products**

39.3% of respondents disagree that they have knowledge of capital market products, 4.3% of respondents assume this skill is not applicable to them, while 56.4% of respondents agree that they have a good knowledge of such products.



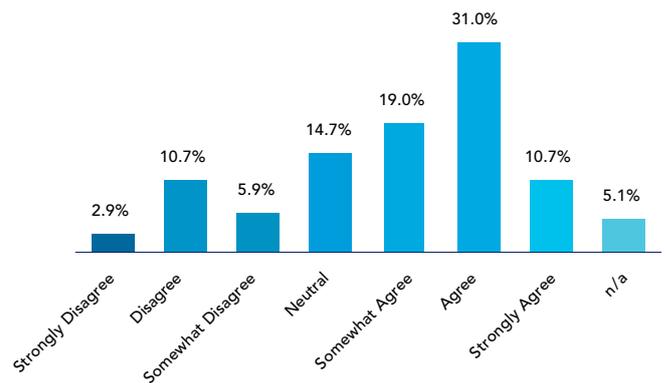
**Question 4.2.2z. Understanding FinTech**

45.2% of respondents do not understand FinTech, 6.1% assume this skill is not applicable to them, while 48.7% of respondents understand FinTech.



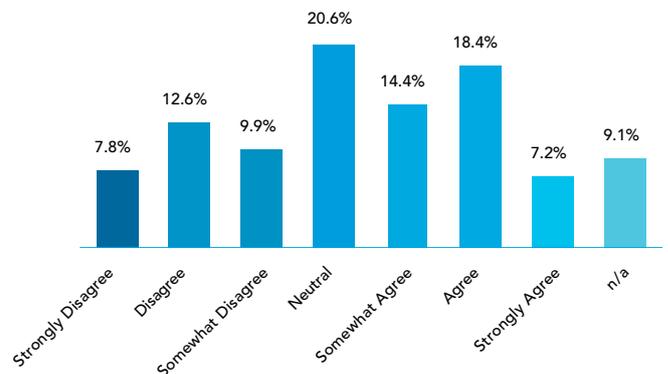
**Question 4.2.2aa. Knowledge Holding Companies**

On knowledge of holding structure, 34.2% of respondents do not have knowledge of holding company structure, 5.1% of respondents believe this skill is not applicable to them, while 60.7% of respondents agree that they have knowledge of holding company structure.



**Question 4.2.2ab. Knowledge of ESG issues**

On knowledge of ESG issues, 50.8% of respondents do not have knowledge of ESG issues, 9.1% of respondents assume this skill is not required of them, while 40.1% of respondents have knowledge of ESG issues.



### Skills Needs

To understand the present skills deficiencies in the financial sector, the survey obtained the general perceptions of individuals/professionals in the sector (see question 4.2.3).

#### Question 4.2.3. Skills Deficiency

	N	PERCENT OF CASES
Understanding of regulatory framework governing the financial sector	166	45.1%
Application of key aspects of the regulatory & legal framework	144	39.1%
Understanding of different aspects of international legal framework governing the financial sector	225	61.1%
Understanding the Foreign Account Tax Compliance Act (i.e., FATCA) or similar regulations for improving compliance	221	60.1%
Knowledge of international corporate governance principles (e.g., OECD Principles)	203	55.2%
Knowledge of international standards on intellectual property and ownership rights	186	50.5%
Auditing techniques	185	50.3%
Knowledge of the salient features of the Anti-Money Laundering Act	141	38.3%
Business English speaking and writing	112	30.4%
Risk Management	159	43.2%
Cyber Security	194	52.7%
Digital Transformation	170	46.2%
Use of basic office tools (Microsoft office tools e.g., Excel)	80	21.7%
Concept of Whistleblowing and Whistle-blowers' Protection	114	31.0%
Understanding of digital communication technologies (e.g., LinkedIn, Webex, Twitter, Zoom, MS Teams)	110	29.9%
Understanding of advanced digital technologies (e.g., Big Data Analytics, Artificial Intelligence and Machine Learning tools)	209	56.8%
Understanding of ESG issues, i.e., ESG disclosure and reporting, climate finance, ESG risk assessment.	223	60.6%
<b>TOTAL RESPONDENTS: 369</b>		

**LEGAL AND REGULATORY DEFICIENCIES:** The results indicate that 45.1% of the respondents believe that there is a need for a better understanding of the regulatory framework that governs the sector. Additionally, 39.1% of the respondents feel that there are shortcomings in the application of key aspects of the regulatory and legal framework. Furthermore, 61.1% of the respondents assert that there are deficiencies in comprehending the international legal framework that governs the financial sector, while 60.1% believe that there are deficiencies in understanding the Foreign Account Tax Compliance Act (FACTA).

**CORPORATE GOVERNANCE, INTELLECTUAL PROPERTY RIGHTS, AND ESG GOVERNANCE:** 55.2% of the respondents perceive deficiencies in their knowledge of international corporate governance principles. Similarly, 50.5% of the respondents assert that they lack an understanding of international standards concerning intellectual property and ownership rights. Furthermore, 60.6% of the respondents feel that they have deficiencies in comprehending ESG issues, including ESG disclosure and reporting, climate finance, and ESG risk assessment.

**AUDITING, MONEY LAUNDERING, AND THE CONCEPT OF WHISTLEBLOWING:** According to the survey, 50.3% of the respondents feel that there are deficiencies in auditing techniques. Moreover, 38.3% of the respondents believe that they lack knowledge of the important features of the anti-money laundering act. Additionally, 31% of the respondents have deficiencies in understanding the concept of whistleblowing and the protection provided to whistleblowers.

**SOFT SKILLS (BUSINESS ENGLISH WRITING AND SPEAKING):** 30.4% of the respondents feel that they have deficiencies in business English writing and speaking skills.

**RISK MANAGEMENT AND CYBERSECURITY:** The survey reveals that 43.2% of respondents believe they lack risk management skills. Similarly, 52.7% of the respondents believe they have deficiencies in their knowledge of cybersecurity.

**DIGITAL TRANSFORMATION:** The findings suggest that 46.2% of respondents feel they have deficiencies in their digital transformation skills. In addition, 21.7% of the respondents lack proficiency in basic office tools such as Excel. Furthermore, 29.9% of the respondents lack an understanding of digital communication technologies such as LinkedIn, Webex, Twitter, Zoom, and MS Teams. Lastly, 56.8% of the respondents have deficiencies in understanding advanced digital technologies such as Big Data Analytics, Artificial Intelligence, and Machine Learning tools.

#### 4.2.5. Approaches to Skills Development

The survey sought the opinions of professionals on how to improve the skills deficiencies in the sector. The survey results are presented in Question 4.2.4 below.

##### *Question 4.2.4. Approaches for Improving Skills Deficiency*

	N	PERCENT OF CASES
Employment of Rwandans who have knowledge of regulatory framework governing the financial sector	216	58.5%
Employment of foreigners who have knowledge of regulatory framework governing the financial sector	122	33.1%
Increase in number of Rwandan university-trained undergraduates	154	41.7%
Increase in number of Rwandan Master's graduates	137	37.1%
Increase in number of other African university-trained experts	126	34.1%
Increase in number of European/American/ and other countries (outside Africa) trained experts	71	19.2%
Increase in number of technical experts (e.g., experts in audit, law, digital technology, customer engagement)	212	57.5%
Increased exposure to international best practices in all aspects of financial services	236	64.0%
Increase in investment banking knowledge/expertise	190	51.5%
Better training in cyber security	217	58.8%
More rapid digital transformation	177	48.0%
Use of basic office tools (Microsoft office tools e.g., Excel)	94	25.5%
Increase in transparency within the financial sector	159	43.1%
Training on digital communication technologies (e.g., LinkedIn, Webex, Twitter, Zoom, MS Teams.)	124	33.6%
Training on advanced digital technologies (e.g., Big Data Analytics, Artificial Intelligence and Machine Learning tools)	241	65.3%
Local training/courses that can lead to professional qualifications	275	74.5%

**TOTAL RESPONDENTS: 369**

To address the skills deficiencies in understanding the regulatory framework, 58.5% of the respondents suggest hiring Rwandans who have knowledge of the regulatory framework that governs the financial sector. Additionally, 33.1% of respondents propose hiring foreigners who have knowledge of the regulatory framework governing the financial sector. They believe that this can help bridge the skills gap in this area. Furthermore, 41.7% of respondents believe that increasing the number of Rwandan university-trained undergraduates can help bridge the skills gap. Similarly, 37.1% of respondents feel that increasing the number of master’s level graduates is essential in bridging the skills gap. On the other hand, 34.1% of respondents believe that increasing the number of other African university-trained experts will help bridge the skills gap. Additionally, 19.2% believe that an increase in the number of European/American/and other countries (outside Africa) trained experts is necessary to bridge the skills gap.

Regarding the recruitment of technical experts such as audit, law, digital technology, and customer engagement, 57.5% of respondents believe that this is necessary. Additionally, 64% of respondents believe there is a need for increased exposure to international best practices in all aspects of financial services. Furthermore, 51.5% of respondents believe that an increase in investment banking knowledge/expertise is essential for bridging the skills gap. Moreover, 58.8% of respondents believe that better training in cybersecurity can bridge the skills gap.

In terms of other aspects, 48% of respondents believe that a more rapid digital transformation for training and development is required. Meanwhile, 25.5% believe that training in the use of basic office tools (such as Microsoft Office tools like Excel) can bridge the skills gap. Furthermore, 33.6% of respondents suggest training on digital communication technologies (e.g., LinkedIn, Webex, Twitter, Zoom, MS Teams) is necessary, while 65.3% assert that training on advanced digital technologies (e.g., Big Data Analytics, Artificial Intelligence, and Machine Learning tools) is needed. Lastly, 43.1% of respondents believe that an increase in transparency within the financial sector will help improve skills within the sector, and 74.5% believe that the skills gap can be bridged by providing local training/courses leading to professional qualifications.

### 4.3. Firm Level Survey Results & Analysis

This section is divided into four sub-sections which cover the survey coverage, the current skills level, the skills gaps, and how to bridge the skill gaps.

#### Profile of Sample Pool

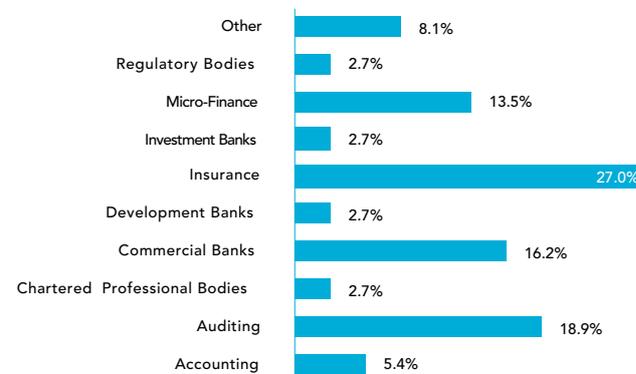
Out of the respondent firms, 16 have over 90% of their staff as locals, 5 firms have between 60-90% of their staff as locals, and 13 firms have a majority (59% and above) of foreign staff. Firms put more weight on the sophistication of their products (organizational centric). 60.7% (17) of respondent firms are satisfied with the current skill standards of their employees. 60% (18) think their staff have the necessary competence.

#### 4.3.1. Questionnaire Survey Coverage

Major highlights of the survey are discussed below:

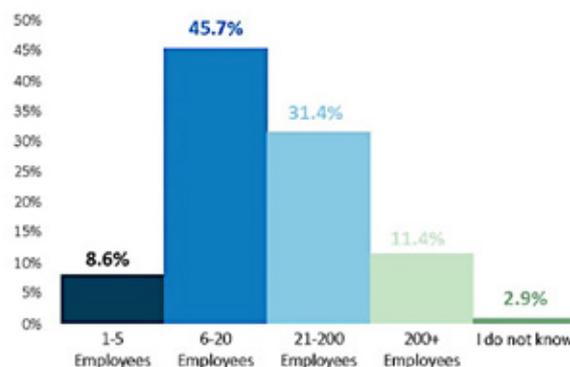
#### Question 4.3.1a Type of Firm

The survey covered a sample of 37 firms in the financial sector, including Commercial Banks (6), an Investment Bank (1), a Regulatory Body (1), a Development Bank (1), a Chartered Professional Body (1), Accounting (2), Auditing (7), Insurance (10), Micro-Finance (5), and Other (3) all of which are in Pensions.



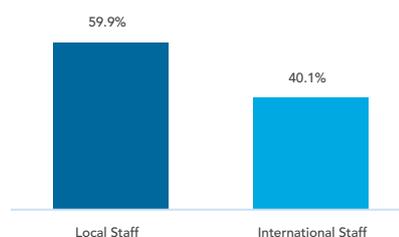
#### Question 4.3.1e Number of employees

Most responding firms (54.3%) have 20 or less employees, 31.4% have between 21-200 employees, while 11.4% have over 200 employees. 1 firm didn't know the number of employees in their organization (2.9%). If the EU classification of SMEs is applied (firms with less than 200 employees are classed as SMEs), then most firms in the Rwandan financial sector are SME



#### Question 4.3.1g. Ratio of Local to Foreign Employees

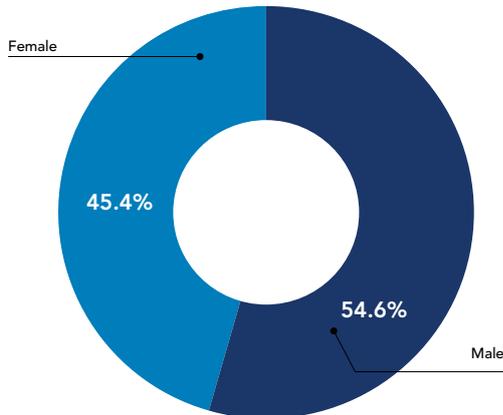
16 of respondent firms have over 90% of their staff as locals, 5 firms have between 60-90% of their staff as locals, while 13 firms report a majority (59% and above) of their staff as foreign. The average number of local staff across all respondents is 59.9% and for foreign ones as 40.1%. The standard deviation is 43.3% for both cases. Results are based on a sample of 34 responding firms.



#### Question 4.3.1h. Gender Mix (%)

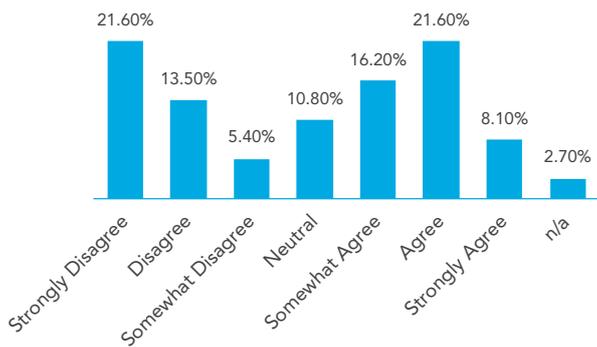
7 respondent firms had an equal (1:1) gender mix, 8 firms had more males than females while 5 firms had more females than males. The average

number of male employees across all responding firms is 54.6% and for females 45.4%. The standard deviation is 19.6% and 19.1% respectively. Results are based on a sample of 36 responding firms.



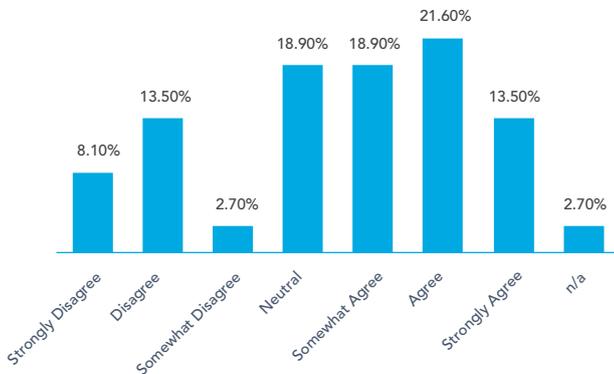
**Question 4.3.1i. Products/ are classified as sophisticated.**

51.3% of respondent firms presume their firms' products are not sophisticated, while 45.9% of respondents presume that their firms' products are sophisticated. 2.7% (1) respondent firm was unable to classify their firm's product.



**Question 4.3.1j. Product/s need(s) specialized know-how to market.**

43.3% of respondent firms presume their firms' products do not require specialized know how to be marketed, while 54% presume that their firms' products require specialized know how to be marketed. 2.7% (1) respondent firm was unable to classify whether their firm's product required specialized know-how to be marketed.



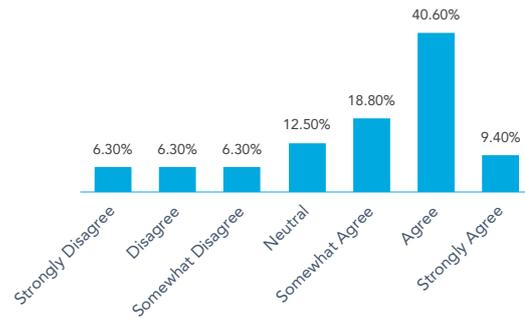
**4.3.2. Present Available Skills in Your Organization**

**Technical Competencies<sup>10</sup>**

39.3% of respondent firms are not satisfied with the current skill standards of their employees, while 60.7% are satisfied with the current employee skills standards.

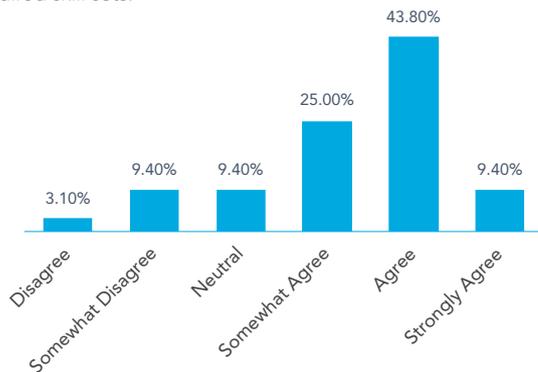
**Question 4.3.2b. My firm has all the staff that is needed.**

31.3% of respondents presume their firms do not have all the required specialist staff, while 68.7% presume that their firms' have all required specialist staff.



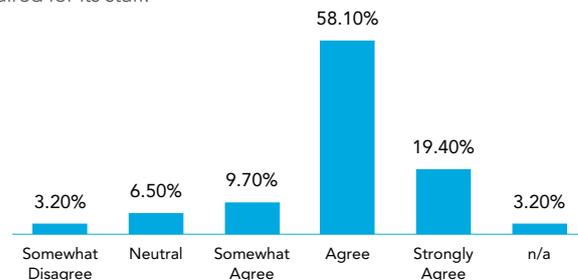
**Question 4.3.2c. Specialist Staff with Required Skills:**

21.9% of respondents presume their firms' specialist staff do not have the required skills, while 78.1% presume that their firms' specialist staff have the required skill sets.



**Question 4.3.2d. Specialist Staff with Understanding of Technical Finance Concepts:**

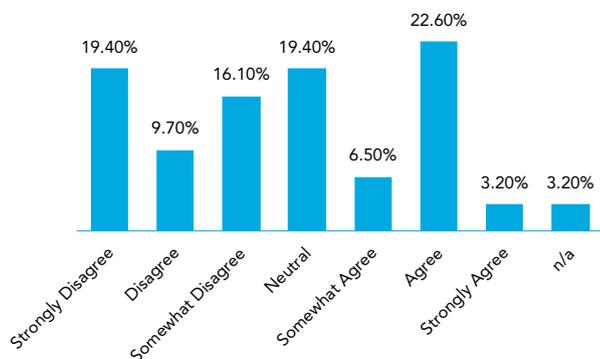
9.7% of respondents presume their firms' specialist staff do not have the required understanding of technical finance concepts, while 87.2% presume that their firms' specialist staff have the required understanding of technical finance concepts. 1 firm (3.2%) presumes this skill set is not required for its staff.



10 For some questions, individual respondents might have overstated their competence. For example, the KII and surveys revealed that sometimes there were gaps in individual perspectives and firm perspectives.

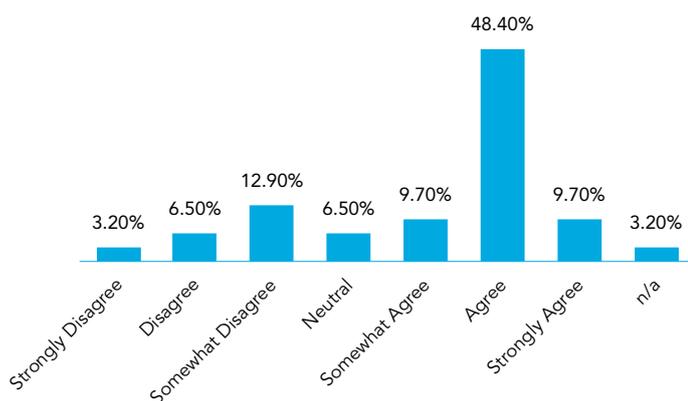
**Question 4.3.2e. Specialist staff in risk management do not understand risk management tools.**

32.3% of respondents presume their firms' specialist risk management staff do not have the required understanding of risk management tools, while 64.5% presume that their firms' specialist staff do have it. 3.2% of the firms presume this skill set is not required for their staff.



**Question 4.3.2f. Required Number of Specialist Staff Compliment**

29% of respondents presume their firms do not have the required number of specialist staff, while 67.8% presume that their firms have the required numbers of specialist staff. 1 respondent (3.2%) presume their firm doesn't require specialist staff.

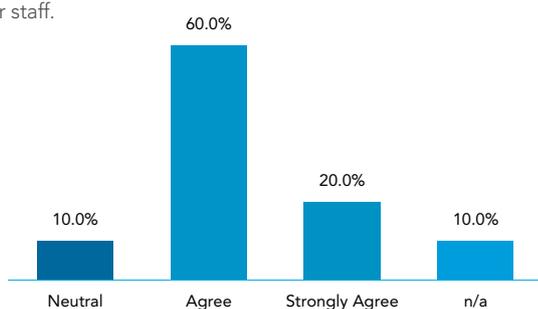


**Present Available Skills in Your Organization**

**Part A: Generic Finance Knowledge**

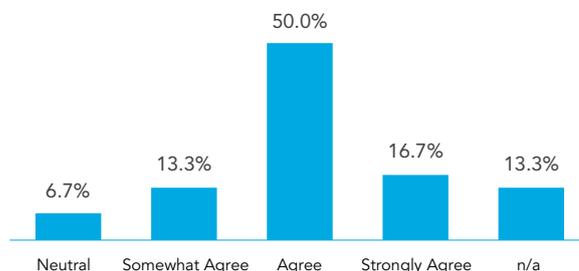
**Question 4.3.3a Good knowledge of the techniques and types of fund administration**

10% of responding firms presume their firms' staff employed for the fund administration roles, do not have the required understanding of fund administration, while 80% presume that their firms' specialist staff have the required understanding. 10% of firms presume this skill set is not required for their staff.



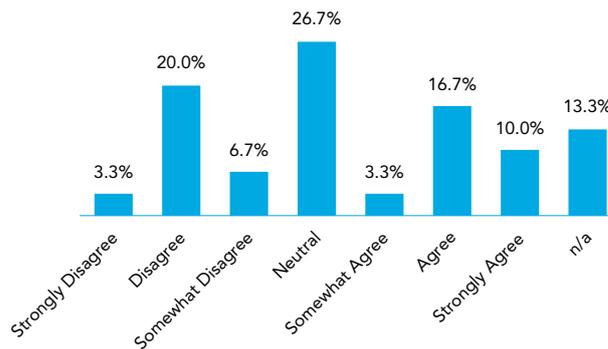
**Question 4.3.3b Relevant staff have the required knowledge of Trusts and Foundations**

6.7% of respondents presume their firms' staff do not have the required understanding of Trusts and Foundations, while 80% presume that their firms' specialist staff have the required understanding. 13.3% of firms presume this skill set is not required for their staff.



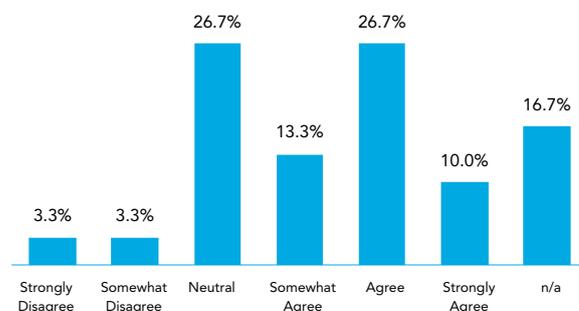
**Question 4.3.3c. Relevant staff do not have knowledge of wealth management /asset management.**

56.7% of responding firms presume their firms' staff employed for the Wealth/Asset Management roles, do not have the required understanding of Asset Management, while 30% presume that their firms' specialist staff have the required understanding. 13.3% of firms presume this skill set is not required for their staff.



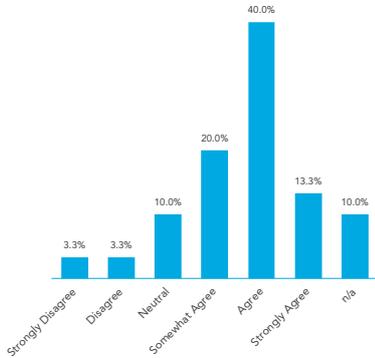
**Question 4.3.3d. Relevant staff have adequate knowledge of the foreign currencies market and commodities trading.**

33.3% of respondent firms presume their firms' staff employed for the Foreign Currency Markets and Commodities Trading, do not have the required understanding of FOREX, while 50% presume that their firms' specialist staff have the required understanding. 16.7% of firms presume this skill set is not required for their staff.



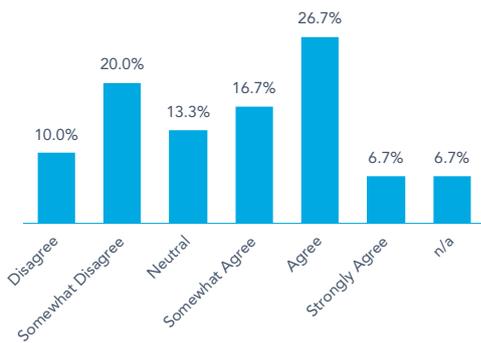
**Question 4.3.3e. Relevant staff have a knowledge of capital market products and relevant fiscal incentives.**

16.6% of respondents presume their firms' staff employed for the Capital Market roles, do not have the required understanding of Capital Markets and Fiscal Incentives, while 73.3% of respondent firms presume that their firms' specialist staff have the required understanding. 10% of firms presume this skill set is not required for their staff.



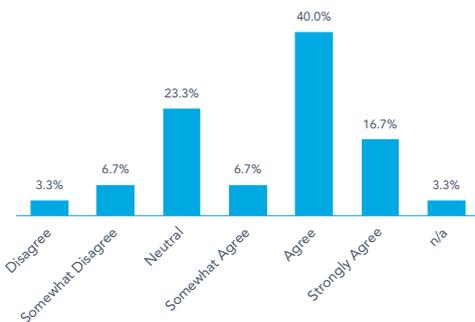
**Question 4.3.3f. All staff have an adequate understanding of Fintech.**

43% of respondent firms presume their firms' staff do not have the required understanding of Fintech, while 50.1% presume that their firms' staff have the required understanding of Fintech. 6.7% of firms surveyed presume this skill set is not required for their staff.



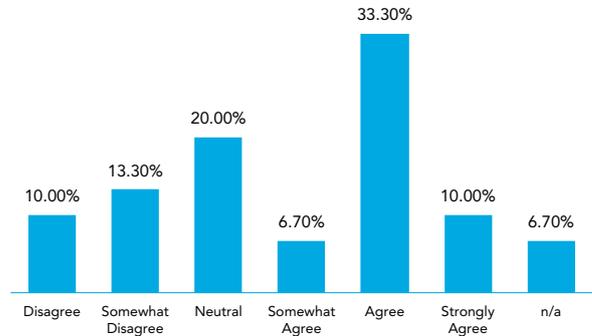
**Question 4.3.3g. Relevant staff have the necessary knowledge of how holding companies are structured and operate.**

33.3% of responding firms presume their firms' staff employed for the Holding Structure roles, do not have the required understanding of Holding Structure administration, while 62.9% presume that their firms' specialist staff have the required understanding. 3.3% of firms presume this skill set is not required for their staff.



**Question 4.3.3h. Relevant staff have a good knowledge of ESG issues, i.e., ESG disclosure and reporting, climate finance, ESG risk assessment, etc.**

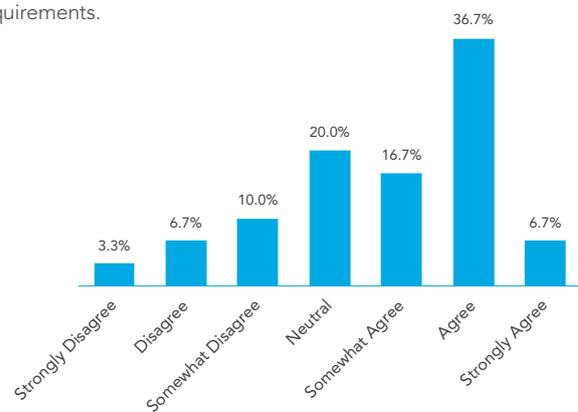
43.3% of respondents presume their firms' staff employed for ESG roles, do not have the required understanding of ESG issues, while 50% presume that their firms' specialist staff have the required understanding. 6.7% of firms presume this skill set is not required for their staff.



**Question 4.3.3i. The Present level of skill, technical, institutional, and behavioural competencies in my company are adequate for my organisation's desired operational performance?**

40% of responding firms presume their firms' staff do not currently have the required competence required for success, while 60% presume that their firms' staff have the required competence level.

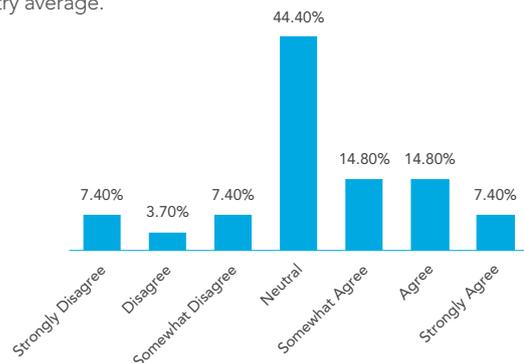
Most of the respondent firms are planning to recruit specialist staff in the next 2-3 years. However, 6 firms are not planning on any specialist staff requirements.



**Part B: Compensation**

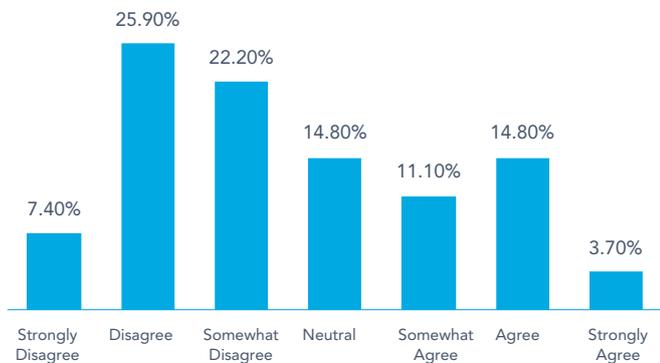
**Question 4.3.3k Compensation of our staff is below industry average.**

37% of respondent firms presume their firms' pay their staff below the industry average, while 63% presume that their firms' pay is better than the industry average.



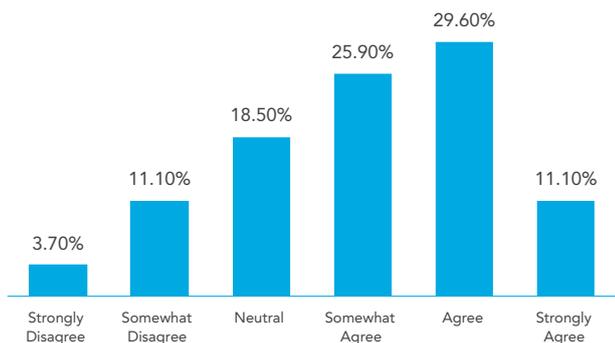
**Question 4.3.3l. Compensation is not attractive enough for the type of talent required by the industry.**

70.3% of respondents presume their firms’ pay is not attractive enough to the type of talent required in the industry, while 29.6% presume that their firms’ pay is enough to attract the best talent required for the financial sector.



**Question 4.3.3n. There is a good range of benefits for our employees.**

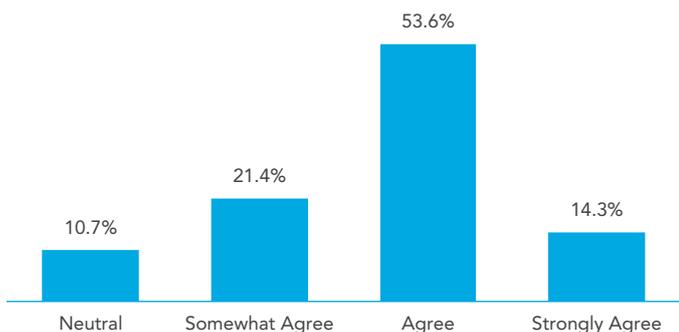
33.3% of respondents presume their firms’ do not have a good benefits system for staff, while 66.7% presume that their firms’ benefits system is good.



**Part C: Technology Skills**

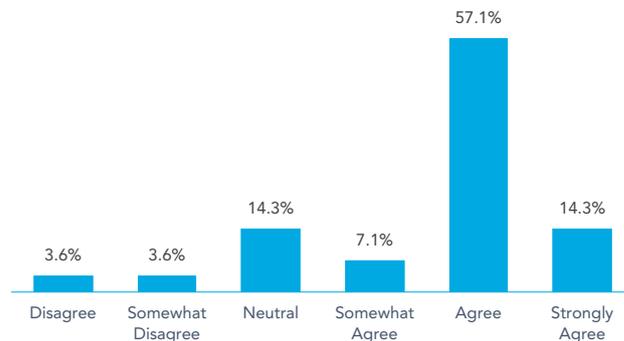
**Question 4.3.3o. Staff understand how to use digital technology to improve work efficiency.**

10.7% of respondent firms presume their firms’ staff, do not have the required understanding of digital technology which can enhance their work efficiency, while 89.3% presume that their firms’ staff have the required understanding digital technologies required for work efficiency.



**Question 4.3.3p. Staff adapt easily to new equipment or materials.**

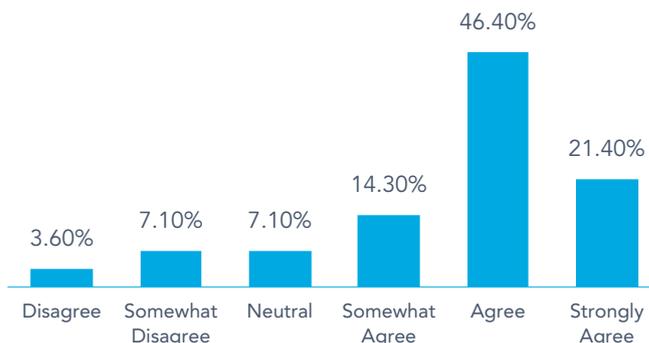
21.4% of respondent firms presume their firms’ staff do not easily adapt to new material/equipment, while 78.6% presume that their firms’ staff easily adapt to new material/equipment.



**Part E: Personal Institutional and Behavioural Competencies:**

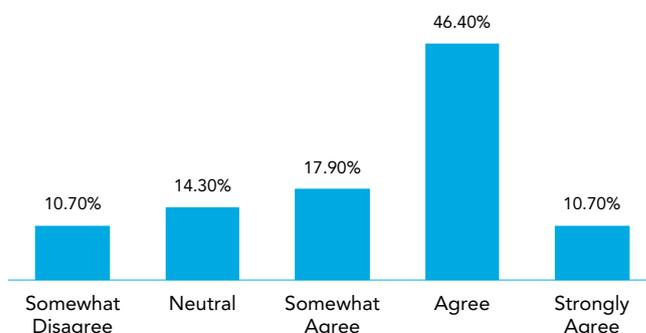
**Question 4.3.3v. Staff have a good understanding of the vision, strategy, and innovation required for institutional capacity building.**

17.8% of respondent firms presume their firms’ staff do not have the required vision, strategy and innovation required for institutional capacity building, while 82.2% presume that their firms’ staff have the required understanding.



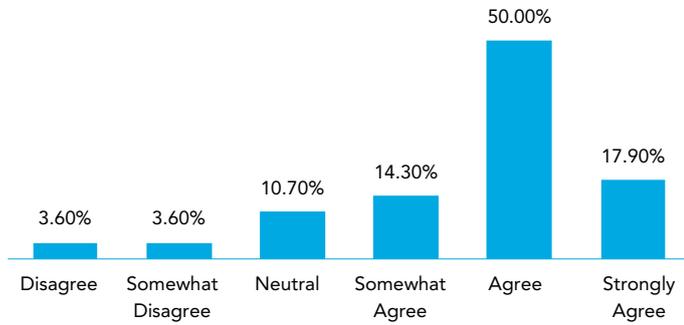
**Question 4.3.3w. Staff are well-trained in leadership skills, and they feel empowered.**

25% of respondent firms presume their firms’ staff do not have the required leadership skills and are not empowered, while 75% presume that their firms’ staff have the required leadership skills and are empowered.



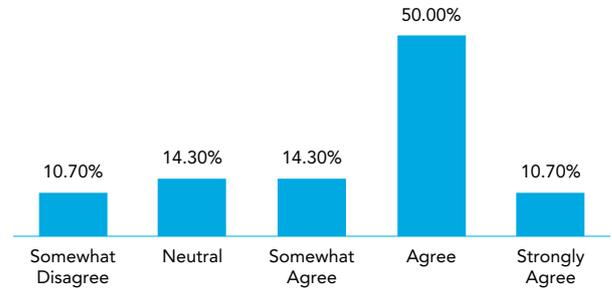
**Question 4.3.3x. Staff analytical, problem-solving, and decision-making skills are well developed.**

17.9% of responding firms presume their firms' staff do not analytical, problem solving and decision-making skills, while 82.1% presume that their firms' staff have the required analytical, problem solving and decision-making skills.



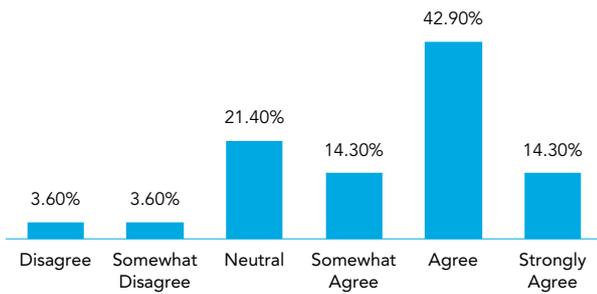
**Question 4.3.3z. Staff are very good with English language communication and interpersonal skills.**

25% of responding firms presume their firms' staff do not have the required English language communication and interpersonal skills, while 75% presume that their firms' staff have the required English language communications and interpersonal skills.



**Question 4.3.3y. Staff understand what corporate governance is**

28.6% of responding firms presume their staff do not understand corporate governance, while 71.4% presume that their firms' staff understand corporate governance.



## Sustainable Finance ESG

*Question 4.3.3ab-1. Drivers behind investment in Sustainable Finance/ESG skills and talent over the next 10 years. (Scale is from 1-10, where 1 is 'most important' and 10 is 'least important').*

SUMMARY OF DRIVERS BEHIND INVESTMENT IN SUSTAINABLE FINANCE/ESG SKILLS AND TALENT.	N	MORE IMPORTANT (1-4)		LESS IMPORTANT (5-10)	
Improved long-term returns	28	14	50.0%	14	50.0%
Decreased investment risk and/or underwriting risk	28	18	64.3%	10	35.7%
External stakeholder requirement (e.g., clients, government, society at large)	28	14	50.0%	14	50.0%
Regulatory/disclosure demands	28	15	53.6%	13	46.4%
Altruistic values/ Corporate Social Responsibility	28	14	50.0%	14	50.0%
Brand image and reputation	28	15	53.6%	13	46.4%
Board pressure	28	16	57.1%	12	42.9%
Activist pressure	28	18	64.3%	10	35.7%
Core business objectives	28	16	57.1%	12	42.9%
Attraction/retention of talent	28	14	50.0%	14	50.0%

ESG Drivers: This question received a rating on a scale of importance ranging from 1-10, with 1 being the most important and 10 being the least important. For this report, any rating from 1-4 on this importance scale has been considered as important, while ratings from 5-10 have been grouped as less important. Among all the drivers, the decrease in investment risk and/or underwriting risk (64.3%), brand image and reputation (53.6%), activist pressure (64.3%), board pressure (57.1%), and core business objectives (27.1%) received the highest ratings from the respondents.

*Question 4.3.3ac. Main challenges limiting the development of Sustainable Finance/ ESG talent and skills within your organisation. (Scale is from 1-7 where 1 is 'most important' and 7 is 'least important').*

SUMMARY OF MAIN CHALLENGES LIMITING THE DEVELOPMENT OF ESG TALENT AND SKILLS.	N	MORE IMPORTANT (1-3)		LESS IMPORTANT (4-7)	
Inadequate training budgets	28	18	64.3%	10	35.7%
Competing internal priorities	28	18	64.3%	10	35.7%
Limited management support	28	11	39.3%	17	60.7%
Lack of coordination	28	12	42.9%	16	57.2%
Lack of available talent in the domestic market	28	14	50.0%	14	50.0%
Lack of appropriate training courses	28	13	46.4%	15	53.6%
Other (please specify)	28	11	39.3%	17	60.7%

**Challenges limiting ESG: Talent Development:** The question was evaluated on a scale of 1-6, where 1 is the most important and 6 is the least important. In this report, any rating from 1-3 on the importance scale has been classified as more important, while ratings of 4-6 have been grouped as less important. From the given responses, inadequate training budgets and competing internal priorities were perceived as the key challenges for the development of

ESG talent and skills with 64.3% of responses for each case, followed by the lack of available talent in the domestic market with 50%, and the potential lack of appropriate training courses with 46.4%.

**Other challenges** identified by firms as **limiting the development of Sustainable Finance/ESG talent and skills within respondents' organisations include:** the lack of awareness of sustainable finance/ESG on the market in general; lack of available talent in this area in the domestic market; ESG not included in training at university; continuous changes in regulations; insufficient staff within the firms, etc.

*Question 4.3.3ae. Sustainable Finance/ESG learning needs (rank is from 1-6, where 1 is 'most important' and 6 is 'least important')*

SUMMARY OF SUSTAINABLE FINANCE/ESG LEARNING NEEDS	N	MORE IMPORTANT (1-3)	LESS IMPORTANT (4-6)
How specific ESG issues should be integrated into financial products and services	20	13 65.0%	7 35.0%
How to develop a strategic approach to sustainability for the institution, including integrating sustainability into strategy, values, behaviours, operations, products and services	20	18 90.0%	2 10.0%
How to integrate sustainability into institutional governance processes	20	17 85.0%	3 15.0%
How to integrate sustainability into the institution's client / investment value proposition, and guide clients / investees towards more sustainable business models and decisions / risk assessment and management / underwriting / lending practices	20	6 30.0%	14 70.0%
How to design the data pipeline to support the development of sustainable finance processes	20	0 0.0%	20 100.0%
How to integrate ESG/sustainability into product innovation and development	20	6 30.0%	14 70.0%

ESG Learning Needs: In this report, participants were asked to rate the importance of certain learning needs on a scale of 1-6, with 1 indicating the highest importance and 6 indicating the lowest. The ratings were then categorized into two groups: more important (ratings 1-3) and less important (ratings 4-6). Among the learning needs, most respondents (90%) considered "How to develop a strategic approach to sustainability for the institution, including integrating sustainability into strategy, values, behaviors, operations, products and services" to be important. The next most important learning need, according to respondents (85%), was how to integrate sustainability into institutional governance processes. Afterward, 13 respondents felt it was important to learn how to incorporate specific ESG issues into financial products and services. Lastly, all respondents agreed that learning how to design the data pipeline to support the development of sustainable finance processes was the least important among the listed learning needs (100%).

*Question 4.3.3af How to accelerate the training of talent and skills acquisition in Sustainable Finance/ESG*

	RESPONSES	
	N	PERCENT
Development of research capabilities; university chairs	14	56.0%
Financial support/incentives for staff training	22	88.0%
Additional education initiatives through continuing education and non-degree learning programs	17	68.0%
Integration of ESG/Sustainability courses in Finance/Business degree and diploma programs	17	68.0%
Design of a specific Certification or Micro-credentials dedicated to ESG/Sustainability	15	60.0%
Host learning clusters	8	32.0%
Consider criteria for ESG fitness assessment for certain pre-approved control functions	7	28.0%

Government Acceleration of ESG Talent Training: 88% of respondent firms presume financial support/incentives by the government will accelerate training of ESG talent for staff training in the financial sector, while 72% presume that additional education initiatives through continuing education and non-degree learning programs by the government will accelerate training of ESG talent for staff training in the financial sector. Similarly, 68% presume that the integration of ESG/Sustainability courses in Finance/Business degree and diploma programs by the government will accelerate training of ESG talent for staff training in the financial sector. 60% of respondent firms presume the design of a specific Certification or Micro-credentials dedicated to ESG/Sustainability by the government will accelerate training of ESG talent for staff training in the financial sector, while 56% presume that the development of research capabilities, university chairs by the government will accelerate training of ESG talent for staff training in the financial sector. Only 32% of respondent firms presume that hosting learning clusters by the government will accelerate training of ESG talent for staff training in the financial sector, while 28% presume that the making ESG fitness assessments for certain pre-approved control functions by the government will accelerate training of ESG talent for staff training in the financial sector.

### 4.3.3. Skills Needs

*Question 4.3.4a. In your opinion, which of the following skills are you deficient in?*

	RESPONSES	PERCENT
Understanding of regulatory framework governing the financial sector (including Acts/ Regulations/ Codes)	10	35.7%
Understanding of different aspects of international legal framework governing the financial sector	15	53.6%
Understanding the Foreign Account Tax Compliance Act (i.e., FATCA) or similar regulations for improving compliance	18	64.3%
Knowledge of international corporate governance principles (e.g., OECD Principles)	13	46.4%
Knowledge of international standards on intellectual property and ownership rights	14	50.0%
Auditing techniques	16	57.1%
Business English speaking and writing	10	35.7%
Risk Management	12	42.9%
Cyber Security	18	64.3%
Digital Transformation	16	57.1%
Concept of Whistleblowing and Whistle-blowers' Protection that can promote efficient internal functioning of the organisations	10	35.7%
Understanding of advanced emerging digital technologies (e.g., Big Data Analytics, Artificial Intelligence and Machine Learning tools, Metaverse, Virtual Reality and Cloud Systems, etc.)	20	71.4%
Understanding of ESG issues, i.e., ESG disclosure and reporting, climate finance, ESG risk assessment, etc.	21	75.0%

Regulatory frameworks: 35.7% of respondents believe that their firm lacks understanding of the regulatory framework governing the financial sector (including Acts/Regulations/Codes).

- International legal frameworks: 53.6% of respondents believe that their firm lacks understanding of different aspects of the international legal framework governing the financial sector.
- Foreign Account Tax Compliance Act (FACTA): 64.3% of respondents believe that their firm lacks understanding of the Foreign Account Tax Compliance Act (FATCA) or similar regulations aimed at improving compliance.
- Knowledge of International Corporate Governance Principles: 46.4% of respondents believe that their firm lacks knowledge of international corporate governance principles, such as the OECD Principles.

- Knowledge of intellectual property & ownership rights: 50.0% of respondents believe that their firm lacks knowledge of international standards on intellectual property and ownership rights.
- Auditing techniques: 57.1% of respondents believe that their firm lacks proficiency in auditing techniques.
- Business English: 35.7% of respondents believe that their firm lacks proficiency in spoken and written business English.
- Risk Management: 42.9% of respondents believe their firm lacks mastery of risk management.
- Cyber Security: 64.3% of respondents believe their firm lacks cyber security skills.
- Digital Transformation: 27.1% of respondents believe their firm lacks proficiency in digital transformation.
- Whistleblowing: 35.7% of respondents believe that their firm lacks understanding of the concept of whistleblowing and the protection of whistleblowers, which can promote efficient internal functioning of the organizations.
- Emerging Digital Technologies: 71.4% respondents believe that their firm lacks understanding of advanced emerging digital technologies, such as Big Data Analytics, Artificial Intelligence and Machine Learning tools, Metaverse, Virtual Reality, and Cloud Systems.
- ESG issues: 75.0% of respondents believe that their firm lacks understanding of ESG issues, including ESG disclosure and reporting, climate finance, and ESG risk assessment.

*Question 4.3.4b. Which of these options is most necessary to improve the skills (or eliminate the deficiencies) of your organisation.*

	RESPONSES	PERCENT
Employment of Rwandans who have knowledge of regulatory framework governing the financial sector	22	78.6%
Employment of foreigners who have knowledge of regulatory framework governing the financial sector	8	28.6%
Increase in number of Rwandan university-trained undergraduates	15	53.6%
Increase in number of Rwandan master's graduates	13	46.4%
Increase in number of other African university-trained experts	8	28.6%
Increase in number of European/American/ and other countries (outside Africa) trained experts	2	7.1%
Increase in number of technical experts (e.g., experts in audit, law, digital technology, customer engagement)	17	60.7%
Increased exposure to international best practices in all aspects of financial services	15	53.6%
Increase in investment banking knowledge/expertise	14	50.0%
Better training in cyber security	16	57.1%
More rapid digital transformation	13	46.4%
Use of basic office tools (Microsoft office tools e.g., Excel)	10	35.7%
Increase in transparency within the financial sector	9	32.1%
Training on digital communication technologies (e.g., LinkedIn, Webex, Twitter, Zoom, MS Teams.)	7	25.0%
Training on advanced digital technologies (e.g., Big Data Analytics, Artificial Intelligence and Machine Learning tools)	13	46.4%
Local training/courses that can lead to professional qualifications	15	53.6%

- Improving the Understanding of regulatory frameworks: 78.6% of respondents believe that their company can overcome skills deficiencies by employing Rwandans who have knowledge of the regulatory framework governing the financial sector.
- Improving the Understanding of regulatory frameworks: 28.6% of respondents believe that their company can overcome skills deficiencies by employing foreigners who have knowledge of the regulatory framework governing the financial sector.
- Improving deficiencies in general: 53.6% of respondents believe that their company can overcome skills deficiencies by increasing the number of Rwandan university-trained undergraduates.
- Improving deficiencies in general: 46.4% of respondents believe that their company can overcome skills deficiencies by increasing the number of Rwandan master's graduates.
- Improving deficiencies in general: 28.6% of respondents believe that their company can overcome skills deficiencies by increasing the number of other African university-trained experts.
- Improving deficiencies in general: 7.1% of respondents believe that their company can overcome skills deficiencies by increasing the number of European/American/and other countries (outside Africa) trained experts.
- Improving deficiencies in general: 60.7% of respondents believe that their company can overcome skills deficiencies by increasing the number of technical experts (e.g., experts in audit, law, digital technology, customer engagement).
- Improving deficiencies in general: 53.6% of respondents believe that their company can overcome skills deficiencies by increasing exposure to international best practices in all aspects of financial services.
- Improving deficiencies in general: 50% of respondents believe that their company can overcome skills deficiencies by increasing investment banking knowledge/expertise.
- Improving cyber security deficiencies: 57.1% of respondents believe that their company can overcome skills deficiencies by providing better training in cyber security.
- Improving deficiencies in general: 46.4% of respondents believe that their company can overcome skills deficiencies by undergoing more rapid digital transformation.
- Better use of basic office tools: 35.7% of respondents believe that their company can overcome skills deficiencies by receiving more training in the use of basic office tools (such as Microsoft Office tools, e.g., Excel).
- Improving deficiencies in general: 32.1% of respondents believe that their company can overcome skills deficiencies by increasing transparency within the financial sector.
- Improving deficiencies in general: 25% of respondents believe that their company can overcome skills deficiencies by receiving more training on digital communication technologies (e.g., LinkedIn,

Webex, Twitter, Zoom, MS Teams).

- Improving deficiencies in general: 46.4% of respondents believe that their company can overcome skills deficiencies by training on advanced digital technologies (e.g., Big Data Analytics, Artificial Intelligence, and Machine Learning tools).
- Improving deficiencies in general: 53.6% of respondents believe that their company can overcome skills deficiencies by engaging in local training/courses that can lead to professional qualifications.

#### 4.4. Summary of Survey Results

##### 4.4.1. Present Skill Level

The information collected during the individual surveys revealed that 63.6% of the respondents believe that their company's products require specialized knowledge and 57.7% of the respondents felt that the products were heavily reliant on technology. Almost half of the respondents (48.7%) believed that it takes a long time to understand their organization's products and services, while 60.6% of the respondents assume that their organization mainly provides specialized services. Overall, 83.6% of the respondents feel confident in their roles as experts.

However, at the company level, 58.6% (17) of the respondents' firms believe that their products are sophisticated, while 54% (20) believe that specialized knowledge is necessary to market the products. Furthermore, like the individual survey results, 48.6% (18) of the respondent firms also believe that their products and services require a significant amount of time to understand. However, 73% (27) of respondents believe their products require a high level of specialized service. Additionally, 67.8% (21) believe that their firms have the required number of specialist staff, 68.2% (22) of respondent firms believe that they have all the necessary specialist staff, and 78.1% (25) believe that their specialist staff possess the required skill sets.

Furthermore, 85.5% (24) believe that their specialist staff have a sufficient understanding of the products/services in the financial sector. However, only 60.7% (17) of respondent firms are satisfied with the current skill standards of their employees. Interestingly, only 60% (18) think their staff have the necessary competence.

Regarding compensation, 66.7% (18) of the respondents believe that their firms pay better than other companies in the industry, while 81.4% (22) of respondent firms believe that their company pays their staff below the industry average. Furthermore, 70.3% (19) of respondent firms believe that their company's pay is not attractive enough to attract the type of talent required in the industry.

As a result, the next section divides the skills gaps into three categories: minimal skills gaps, minimal-moderate skills gaps, and moderate to high skills gaps. At the individual survey level, there were 237 respondents from banks and financial companies, 56 respondents from regulatory bodies, 4 respondents from associations, and 99 respondents from other players in the financial sector. At the company level, there were 23 respondents from banks and financial companies, 1 respondent from regulatory bodies, 1 respondent from associations, and 12 respondents from other players in the financial sector.

#### 4.4.2. Minimal Skills Gaps

Minimal Skills Gaps Individual Level Survey: This survey shows the skills gaps identified by less than 21% of respondents.

Rules, regulators, regulations, and governance: There seems to be a good understanding of the rules and regulations that govern the financial sector, as 86.6% of respondents understand them. Similarly, 88.5% of respondents understand the laws and regulations in Rwanda. Overall, 82.4% of respondents agree that the Rwandan authorities can regulate the financial sector. Similarly, 84.1% of respondents agree that the Rwandan authorities have sufficient knowledge and capability to supervise the financial markets. Furthermore, 82.9% of respondents agree that they have a good understanding of corporate governance.

Technical competencies: Most respondents (81.8%) appear to have sufficient knowledge of technology, while 79.1% of respondents have a good understanding of digital technology.

Soft skills: 81.3% of respondents agree that they have been adequately trained as leaders. 87.3% of respondents agree that they have sufficient analytical problem-solving and decision-making skills, and 86.8% of respondents agree that they have good communication and interpersonal skills.

Minimal Skills Gaps Firm-Level Survey: This survey shows the skills gaps identified by less than 21% of respondents.

Rules, regulators, regulations, and governance: There seems to be a good understanding of the rules and regulations that govern the financial sector, as 93.8% (30) of respondents believe that their firms have the required knowledge of financial laws and regulations.

Technical competencies: Most respondents (87.2%) believe that their firms' specialist staff have the required understanding of technical finance concepts. 80% (24) believe that their firms' specialist staff have the required understanding of fund administration. Similarly, 80% (24) believe that their firms' specialist staff have the required understanding of Trusts and Foundations. 89.3% (24) believe that their firms' staff have the required understanding of digital technologies for work efficiency.

Soft skills: 78.5% (22) believe that their firms' staff easily adapt to new materials/equipment. 82.2% (23) of firms believe that their staff have the required understanding of vision, strategy, and innovation for institutional capacity building, while 82.1% (24) believe that their firms' staff have the required analytical, problem-solving, and decision-making skills.

The conclusion from these results is that there are minimal skills gaps in these areas.

#### 4.4.3. Minimal to Moderate Skills Gaps

**A. Minimal- moderate skills gaps Individual-level survey: This presents skills gaps identified by 21% -35% of respondents.**

Technical competencies: Concerning risk management, 73.8% of respondents have a good understanding of risk management tools, indicating that some training is required in this area.

#### Individual respondent deficiency perspectives

Soft Skills (Business English writing, speaking): 30.4% of respondents feel there are deficiencies in business English writing and speaking.

Technical competencies: 21.7% have deficiencies in basic office tools (e.g excel) usage. 29.9% have deficiencies in the understanding of digital communication technologies (e.g., LinkedIn, Webex, Twitter, Zoom, MS Teams).

**B. Minimal- moderate skills gaps firm-level survey: This presents skills gaps identified by 21% -35% of respondents.**

Soft Skills: 75% (21) presume that their firms' staff have the required leadership skills and are empowered. Similarly, 75% (21) presume that their firms' staff have the required English language communication and interpersonal skills. These skills gaps were grouped as minimal skills gaps under individual surveys.

Technical competencies: Concerning risk management, 73.8% of respondents have a good understanding of risk management tools, indicating that some training is required in this area. 73.3% (22) of respondent firms presume their firms' staff employed for the Capital Market roles, have the required understanding of Capital Markets and Fiscal Incentives. Under the individual-level survey, this skills gap was classified as moderate – high. In addition, 67.9% (19) presume that their firms' staff have the required understanding of the International Financial Markets.

71.4% (21) believe their employees understand corporate governance. This skills gap was regarded as minimal when analyzing the individual respondent results.

78.5% (22) presume that their firms' staff have the required understanding of computer literacy/Basic IT skills required for their job.

Rules, regulators, regulations, and governance: 75% (21) presume that their firms' staff have the required financial sector knowledge of laws and regulations.

#### Respondent deficiency perspectives

Soft Skills (Business English writing, speaking): 30.4% of respondents feel there are deficiencies in business English writing and speaking.

Technical competencies: 21.7% have deficiencies in basic office tools (e.g., excel) usage. 29.9% have deficiencies in the understanding of digital communication technologies (e.g., LinkedIn, Webex, Twitter, Zoom, MS Teams).

#### 4.4.4. Moderate to High Skills Gaps

Results from the moderate to high skills gaps individual level survey indicate identified skills gaps among respondents. Among the respondents, only 59.3% possess a comprehension of the international financial market, while 65.7% claim to have a good understanding of fund administration. Knowledge of Trusts and Foundations is acknowledged by only 55.7% of respondents, and only 67.2% claim knowledge of wealth and asset management. Furthermore, 60.7% believe they have the necessary

knowledge of holding company structure, whereas only 53.6% feel confident in their understanding of FOREX and commodities. Similarly, 56.4% express good knowledge of capital market products. However, when it comes to areas such as FinTech and ESG, the skills gap is significant, with only 48.7% exhibiting an understanding of FinTech and a mere 40% possessing knowledge of ESG issues.

From a respondent's perspective, deficiencies in legal and regulatory understanding are recognized by 45.1% of respondents, who highlight the need for better comprehension of the regulatory framework governing the sector. Another 39.1% voice concerns about the application of key aspects of the regulatory and legal framework. Respondents also express deficiencies in understanding the international legal framework governing the financial sector (61.1%) and the Foreign Account Tax Compliance Act (FACTA) (60.1%).

Moreover, 55.2% of respondents believe there are knowledge gaps in international corporate governance principles, while 50.2% perceive deficiencies in understanding international standards on intellectual property and ownership rights. Furthermore, 60.6% feel there are gaps in understanding ESG issues, including ESG disclosure and reporting, climate finance, and ESG risk assessment.

Deficiencies are also noted in auditing techniques (50.3%), knowledge of anti-money laundering regulations (38.3%), and comprehension of the concept of whistleblowing and whistle-blowers' protection (31%). Additionally, 43.2% feel their risk management skills are lacking, and 52.7% identify gaps in their cyber security knowledge. Digital transformation skills are viewed as deficient by 46.2% of respondents, with 56.8% expressing limited understanding of advanced digital technologies such as Big Data Analytics, Artificial Intelligence, and Machine Learning tools.

Findings from the moderate to high skills gaps firm-level survey highlight skills gaps identified by over 35% of respondents in various areas. Specifically, 51.7% of respondent firms believe that their specialist risk management staff lack the necessary understanding of risk management tools, while 56.7% of firms feel that their staff employed in Wealth/Asset Management roles fail to grasp the concept of Asset Management. Similarly, 33.3% of firms suspect their personnel responsible for Foreign Currency Markets and Commodities Trading lack understanding of FOREX.

However, when it comes to capital market products, 56.4% of respondents believe they possess good knowledge. In terms of holding structure administration, 62.9% of firms consider their specialist staff to have the required understanding. While 50.1% of firms believe their staff possess the necessary understanding of FinTech, only 57.1% presume that their firms adhere to international IT standards, and 60.7% presume compliance with international operating system standards. Familiarity with ESG issues is identified as another significant skills gap, with only 50% of respondent firms presuming that their specialist staff possess the required understanding.

Firms also identify their own deficiencies in various domains. Technical competencies or skills required by respondent organizations include knowledge of accounting and auditing software, expertise in areas such as CFA and actuarial science, proficiency in forensic accounting, coding and programming skills, cybersecurity expertise, project management abilities, debit/credit card facilities, automation systems, business awareness, customer orientation, competent CPAs and Accountants with MS Office

skills, anti-money laundering specialists, product development skills, qualified accountants, professionalism in technology, product developers, insurance specialists, financial technology (IT systems), advanced financial skills, and technical competences in banks' new areas of intervention such as green and climate finance, ESG, renewable energy, digital economy, creative economy, and development finance (project structuring), procurement, people management, etc.

Significant gaps in understanding the regulatory framework governing the financial sector (37%), international legal frameworks (55.6%), and the Foreign Account Tax Compliance Act (FACTA) (66.7%) are noted. Furthermore, 48.1% perceive deficiencies in the knowledge of international corporate governance principles, while 51.9% recognize gaps in understanding international standards on intellectual property and ownership rights. Auditing techniques are seen as deficient by 59.3% of respondents, while 37% highlight a need for improvement in business English speaking and writing. Risk management deficiencies are acknowledged by 44.4% of respondents, followed by cyber security (63%) and digital transformation (59.3%). Firms see concepts related to whistleblowing and whistle-blowers' protection as a deficiency.

Emerging Digital Technologies: 74.1% (20) of respondents presume that their firm is deficient in the understanding of advanced emerging digital technologies (e.g., Big Data Analytics, Artificial Intelligence and Machine Learning tools, Metaverse, Virtual Reality and Cloud Systems, etc.).

ESG issues 77.8% (22) of respondents presume that their firm is deficient in the understanding of ESG issues, i.e., ESG disclosure and reporting, climate finance, ESG risk assessment, etc.

92.9% of all respondent firms expect that if their firms can acquire the necessary skills within the next 5 years, then their firm's operational performance will improve.

## 4.5. Key Informant Interviews

While the survey findings revealed clear patterns of skills gaps in the financial sector of Rwanda, the survey alone did not fully explain the "how" and "why". To fully understand the skills gaps, the qualitative aspect of this study was combined with the survey results to gain a more comprehensive understanding. This section highlights key findings from key informant interviews with leaders and executives in the sector.

### 4.5.1. Key Informant I

Executives interviewed pose that the Rwandan financial sector is facing skills gaps due to several reasons, including;

- Stakeholders not setting educational schemes that incorporate necessary qualifications demanded by the sector I

*"At present there are only two fully qualified Actuaries in Rwanda, and one is not even a Rwandan. Yet, there has been tremendous support from MINECOFIN & BNR"*

- Lack of a structure or mechanism for career guidance to lead people/ individuals in the right direction needed to address the skills gaps present.

- Poaching among firms in the sub-sector. According to KII Associations 2,

*“Firms in the sector face poaching. This occurs when staff are trained and obtain their qualifications. After qualifications, they end up moving from one job to several jobs without acquiring real expertise needed for the sector.”*

To bridge these gaps, a recent occurrence among the Associations in the financial sector is cross-border collaborations. This cross-border collaboration provides insights and best practices that contribute to the development and improvement of the banking sector in Rwanda. KII Associations 2 posits that:

*“RBA is in partnership with Kenya Banking Association and Uganda Banking Association where they share valuable information and experiences, learning from each other to avoid repeating mistakes made in other associations”.*

Overall, for the associations, current skills gaps constraints are due to the following reasons:

**Lack of awareness in Fintech:** Our findings indicate that for associations, Fintech is a very new subsector that is mostly led by Banks. Although BNR has rules for the subsector on their websites, most people are not aware of the rules. For example, how to apply for licensing needs to be clear as some players get in the industry without being aware of requirements. Such awareness will greatly reduce barriers to entry.

**Lack of experience in the association industry (and from our KII perspectives in the financial sector generally):** From our KII interviews, it was revealed that players grouped under associations lack management skills, and require accounting knowledge enhancement, cyber security knowledge, and anti-money laundering skills. According to our KIIs, although the civil service has a knowledge-gaining scheme for staff around these areas, the scheme primarily targets individuals who may soon retire. Indeed, the pass rate of this scheme is lowered due to the participants’ other commitments, which hinders the development of a skilled workforce. According to KII Associations 5:

*“...at present you cannot get 50 law firms that can handle financial issues. There is a need to be targeted in solving the issue e.g., target 200 young people and train them for the sector”.*

- **Lack of awareness in Fintech:** Our findings indicate that for associations, Fintech is a very new subsector that is mostly led by Banks. Although BNR has rules for the subsector on their websites, most people are not aware of the rules. For example, how to apply for licensing needs to be clear as some players get in the industry without being aware of requirements. Such awareness will greatly reduce barriers to entry.
- **Lack of national and international certifications/ qualifications in key areas (such as Fintech and Accounting):** According to KIIs local talent is burgeoning as many of the employees have less than 5 years’ experience, and there is no clear certification. “Many people in space learn on the job” (KII Associations 6). This perspective collaborates with the survey findings which show that most of the respondents had less than 10 years of experience with only 111 (27.1%) of respondents with over 10 years of experience, and a high number (13.2%) had no previous financial sector experience.

For the accounting profession particularly, KIIs posit that even though there are about 1,000 registered accountants, 8,400 more accountants are required for the public sector alone. This scarcity of qualified professionals’ forces investors to wait for accountants, intensifying the competition for talent and driving up remuneration. This finding underscores the survey data which reveals that compensation in the financial sector is not always viewed as attractive as 70.3% (19) of respondent firms presume their firms’ pay is not attractive enough to the type of talent required in the industry.

Interviewees highlight the need for a national qualification framework in Rwanda, that would establish equivalent professional qualifications especially as such degrees are equated to a master’s degree in countries such as the UK, Pakistan, and India.

- **Lack of a skills qualification strategy from stakeholders:** From the perspective of interviewees who fall under associations, there is a lack of a strategy for skill development among financial sector players.

*“...the [potential for] success is Kenya, where the number of fellows increased from 3 in 2007 to 52 in 2023. [This Kenyan success] can be attributed to the availability of scholarships and the active involvement of fellows”.*

From our KII findings, interviewees assert that although there has been an increased emphasis on corporate governance within the financial sector in the last five years, the associated high costs invite a high rate of noncompliance.

- **Lack of coordination among different stakeholders:** Our findings show that in Rwanda, specialized skills (e.g., accounting and others) required for the financial sector have not been taken as a national emergency.

*“...in contrast to some countries that classify accounting as a STEM field (Science, Technology, Engineering, and Mathematics), recognizing its significance in the modern economy, in Rwanda, accounting does not fall under the STEM category, potentially overlooking its importance and hindering its development within the education system”.*

Interviewees suggest that government policies may not currently adequately address the financial sector’s demands for education and training. For example, the focus of the School of Law is primarily on litigation rather than catering to the specific needs of the financial sector. The present university curriculum in Rwanda may not sufficiently provide the necessary knowledge and skills required in the financial sector. As a result, there is a shortage of transactional lawyers specializing in financial matters. Overall, this lack of emphasis on the financial sector within the education system is a concern, as it does not align with the requirements of the market.

- **High-capacity building cost:** Interviewees assert that the cost of training in the sector is significantly high, posing a barrier to entry for individuals seeking to acquire the necessary qualifications.

#### 4.5.2. Key Informant II

Competency gaps identified by KIIs include data analysis, data engineers, designers, cyber security, ESG, HR, Risk, CFAs, Equity certification, CPA/ACCA, CFA, Risk related certifications, Information security, IT auditors, communication, language, and numeracy skills, etc. This tallies with the

skills gaps identified from the survey. According to interviewees, presently, in many banks and financial firms sponsor certification courses (online) for their employees and then bond them. Our findings reveal that the banks seek to transform their existing skills by always hiring the best talents available in the Rwandan market and by keeping up to date. According to KII Industry Players Inside Rwanda 4, their bank has been the leader for years because,

*“it understands the context better. When the country has a new strategy, we quickly buy-in and support it.”*

Players in the banking and financial sector overall develop skills internally. For example,

*“by 1. Coaching and Mentoring through a buddy system where Senior Members work[ing] with those below them. 2. Using large tear fund where staff are sent abroad for training in partnership with several entities which includes the World Bank, [and] EU Investment Bank. 3. Soft Skills training through a long-term agreement with a service provider. These are need-based and are done over a period of 6 weeks based on an identified need and individual motivation. 4. LinkedIn, which has online training for specific technical needs.”*

**For the banks/financial institutions, current skills gaps constraints are due to the following reasons:**

- **Lack of certifications/ qualifications:** According to our interviewees, many players in the industry are focused on going digital, hence data analysts, data engineers, designers, cyber security and ESG experts are required but are lacking in Rwanda. Interviewees assert that a major challenge is the weak foundation of education in Rwanda. According to KII Industry Players Inside Rwanda 4,

*“Biggest challenge is that foundation education is shaky and hard to build on”.*

- **Reliance on third party consultants:** According to interviewees, Some of the challenges for the sector are unlimited liability on third parties which can easily bring down a company.

*“We used to rely on consultants which proved unreliable and expensive, therefore decided to establish the Digital Factory to train a team of engineers and designers. We are still calling in consultants from time to time, they work in our program to transfer knowledge and upskill local staff.”*

- **Lack of exposure to the market and lackadaisical attitude:** A major constraint causing skills gaps is lack of exposure; eg. some older/more experienced staff lack ambition, are comfortable, and not interested in upscaling their skills. On the other hand, the younger employees, who constitute a majority as revealed from the survey's findings, do not have sufficient experience and technical expertise. Hence, this lack of self-awareness in young people leads to complacency and results in stagnation.

The lack of ambition means the limited internally trained employees within the industry become highflyers and are regularly poached by other players within and outside the sector. To meet necessary skill demand for specialized services such as actuarial scientists, staff are recruited from more expert markets such as Kenya. Yet, skills such as underwriting are not a big challenge because of the accessibility of the Chartered Insurance

Institute (CII) in Nairobi and the Associate of the Chartered Insurance Institute (ACII) in the UK.

*“(foreign) agents also seem to be more aggressive than Rwandan employees drawing the same salary.”*

- **Lack of collaboration: Collaboration** among financial sector players is not easy. Even internally within firms, there is competition, yet interviewees assert that there is a need for partnerships among different financial institutions and digitization to reach a wider population even within Rwanda.
- **Lack of soft skills and basic education:** Many KIIs point out that a major issue is communication mainly, in writing, presentation, and being able to speak in public. From the perspectives of interviewees, this issue stems from basic education, especially from 0-12 years where basic language and numeracy skills are learnt. The underdeveloped soft skills lead

*“to a lot of effort being put to upskill those who join the bank” (KII Industry Players Inside Rwanda 5).*

Unreliable support service: the supporting industry around the banks and financial institutions is not well developed. For example,

*“We would want to outsource some tasks in order to focus on their core mandate. However, reliable service providers are lacking.”*

**Gender gap:**

*“being the only development bank, our needs are unique, and the (gender issue) may not largely apply. The bank is doing a lot to respond to its own needs. However, gender as a whole is still an issue. It is said that in the sector women branch managers are less than 20%”.*

According to interviewees, at the executive and entry level there is a minimal gap but there is a big gap in the middle. KIIs pose that this gender issue occurs because there are many women who fall off at the age of 31-32 as they start families.

#### 4.5.3. Key Informant Interview III

Interestingly, the perspectives on skills gaps between Rwandan and foreign KIIs differ. On one hand, Rwandan KIIs suggest that although there is a high number of skills gaps, significant progress has been made in terms of existing skills. On the other hand, foreign KIIs indicate limited skills gaps within their companies. However, they do mention that there are macro-level constraints, although some constraints have been reduced in the past 5 years. For example, foreign KIIs suggest that gaps exist in terms of ease of doing business, transaction processes, and entry facilitations in the local market. According to industry players from outside Rwanda who were interviewed as KIIs,

*“...team was able to meet the Minister of Finance ad Economic Planning and even had opportunities to interact with more market players than initially planned. This level of accessibility and engagement with high-level officials might not be as straightforward in other countries.”*

The changes in recent years have aimed to make it easier for businesses to enter the market, which has created a favorable environment for them. Foreign experts also mention that acquiring international skills brings several benefits to local Rwandan firms and helps improve their existing skills. However, industry players within the country often face a skills gap due to lack of exposure to the market and its dynamics.

Qualifications are still a major issue in all aspects of the financial sector and system, and

attempts to develop the industry by attracting skilled workers have resulted in losing their own investment. To address the shortage, organizations have resorted to hiring consultants, but time constraints remain a limiting factor. Outsourcing certain tasks can help organizations enhance their capabilities and deliver high-quality work. The current skills gap among industry players is for several reasons. Firstly, there is a lack of expert qualifications such as CFA and ESG, and there is a need for accountants to gain exposure to different areas within the field of finance, which can enhance their knowledge and skill set.

Continuous professional development training is also required for qualified individuals to stay updated with industry trends, regulations, and practices. However, there is limited training available, with most of it organized internally. Additionally, there is a constraint in the availability of strategic leadership, which affects the vision of leaders. Despite Rwanda's positive trajectory, there's need to adopt a proactive and assertive leadership mindset in driving business growth. This mindset involves continuously engaging clients to consider different perspectives and remaining committed to completing tasks.

Moreover, the interviewees point out the limitations of board members. They highlight the importance of having non-executive directors who possess a deep understanding of how the country functions, although such individuals may not be readily available in sufficient numbers. These directors provide valuable insights and guidance, contributing to effective decision-making and strategic planning.

**Certification/ qualification + soft skills gaps:** When it comes to the skills that are necessary, having a grasp of business and accounting is recognized as vital. Additionally, being proficient in communication, both verbal and written, is especially important at the officer level. Although a supervisor can obtain skills from external sources, analytical skills are essential for performing effectively in this position.

**Lack of market exposure:** Other regional and international players in the market are more aggressive and hungrier for success. These competitors have a deeper understanding of investment knowledge, particularly in fund management.

**Unprofessionalism and poaching:** One challenge that needs to be addressed is poaching, as it is not beneficial to any party involved. Poaching escalates labour costs and creates instability in the market. Therefore, measures should be taken to discourage poaching and promote talent retention and development within the industry.

#### 4.5.4. Key Informant Interview IV

Currently, regulatory bodies are hiring recent university graduates in the field of economics and granting them financial professional certifications and opportunities for higher education, such as pursuing a Ph.D. The National Bank of Rwanda for example has supported organizations like the Rwanda Bankers' Association (RBA) to create an academy. This academy, established in collaboration with Belgium and Luxembourg, has already produced two groups of professionals who have completed a comprehensive curriculum tailored to meet the demands of the sector. Therefore, the regulatory industry currently possesses diverse competencies including Financial Market Analysts, Economists, Business Development experts, and Researchers. However, additional skills are needed.

*"For context, (for example) there are more than 100,000 CFA charter holders worldwide. However, that is a small number upon considering how many job seekers apply for investment banking, corporate finance, and asset management roles globally."*

Consequently, a skills council mandate was established to identify the skills gap and come up with strategies to implement/close the gap. The council was charged with ensuring better coordination, training, exposure (locally, regionally, and internationally), and connection for the whole financial sector.

*"...we hope that there will be better coordination and focused effort. The council has also included the need for specialized training institution and are working to connect them to the market."*

To maintain consistency, the BNR (Bank of Rwanda) plays a significant role in setting and enforcing standards within the financial sector. This includes the approval of senior leadership positions such as CEOs, CFOs, and Risk Managers, ensuring that those appointed possess the necessary qualifications. The regulatory industry also focuses on maintaining skills related to the legal framework and ease of doing business. To achieve this, Rwanda has made significant changes to its legal system, transitioning from a predominantly civil law system to a common law system. As a result, Rwanda has also concentrated on improving accessibility by reducing restrictions entering the country. This shift has created a more business-friendly environment and simplified the process of establishing and operating businesses in Rwanda. These legal reforms have also been crucial in attracting financial sector professionals and encouraging investment.

Another area of focus in the industry is digitization, which Rwanda has embraced as a transformative force in the financial sector. By implementing digital solutions and technology-driven platforms, Rwanda has improved efficiency, accessibility, and transparency in financial services. This digital transformation attracts professionals skilled in emerging technologies and digital finance. In general, Rwanda recognizes the importance of specific skills and welcomes individuals with these skills to contribute to the country's development. When attracting professionals in areas such as Fund Management, the terms of their engagement explicitly require them to transfer their skills to the local workforce. This transfer of skills is seen as vital in developing the necessary expertise within the market.

Any challenges or issues that arise in this process are carefully identified and addressed to ensure compliance with skills transfer requirements. Rwanda remains committed to creating an environment where skills can be effectively transferred and utilized to enhance the local workforce.

*“The current skill needs in our organization are primarily focused on upskilling our existing staff. Internally, we have established the SPIU fund for learning and development. This fund is designed to encourage our staff to undertake courses that will enhance their skills and knowledge. Recognizing that these courses can be expensive, the fund assists our staff with the registration process and provides access to relevant learning materials.”*

In sum, findings from interviews reveal that the regulatory industry has embraced different approaches in the development and uplifting of skills in the industry.

*“For instance, we currently support our eligible staff by paying fees for the CFA exams and for more specialized skills, e.g., Actuarial Sciences, we pay tuition fees for them to study abroad.”*

For the regulators, current skills gaps constraints are due to the following reasons:

**Certification skills gaps:** As the industry evolves, new skills are needed to address emerging challenges and opportunities. Some examples of these skills include Corporate Governance, Anti Money Laundering, and wealth management. The regulatory industry recognizes the importance of keeping up with the changing financial sector and ensuring that the skills required by the industry are reflected in the ODL. However, there are still gaps in areas of expertise such as corporate governance, HR executives, risk management, data protection, IT security skills, ACCA, CFA, actuaries, qualified economists, data analysts/scientists, data protection, business IT for digital transformation/automation, product/software engineering, and others such as tellers who are limited by computer skills, so computer literacy is essential. Professional qualifications in the financial sector are highly valued and necessary. Actuaries, for example, are in demand but there are few individuals in the market with the required qualifications and obtaining the Associate of the Chartered Insurance Institute (ACII) qualification is considered accessible and beneficial. The lack of qualified experts has resulted in the regulatory industry consistently outsourcing areas such as IT systems (major) and data analysis (outsourced in reporting), and the financial inclusion survey for the Rwanda Sector (a consultant has been outsourced for 3 consecutive years). However, interviewees note that outsourcing is not always due to a lack of skills, but rather because public procurement law is designed for outsourcing. Nevertheless, interviewees agree that outsourcing is costly and does not promote knowledge transfer. KII Regulatory Bodies 6 argues that:

*“Investment advisory is currently being outsourced, with a focus on strategic asset allocation (portfolio management perspective). While this exercise is only required once every few years (like a strategic plan review), moving forward the internal team should have the capability to not only carry out the recommendations of the plan but also to formulate a comprehensive plan by themselves (with proper analysis, etc...) and execute”.*

**Policy & Compliance skills constraints:** Experts in taxation, investment, global market indexes, and internal legal advisors are needed to assist in creating policies. Similarly, compliance professionals are essential to

navigate domestic regulations and ensure adherence to regional and international practices, which are crucial for maintaining the industry's integrity and reputation. However, there are limitations in attaining the required number of professionals. Therefore, a key question being explored is why neighboring countries like Kenya have an excess of skilled personnel and what factors have contributed to this situation. By understanding the reasons behind the surplus of skills in neighboring countries, the aim is to identify potential solutions that can be implemented in Rwanda to address the skills gap.

**Lack of exposure to the financial context:** One of the major obstacles in the financial industry is the insufficient understanding of the financial context. This means that professionals with technical expertise are necessary to provide transparency, effectively communicate potential opportunities, ensure transparency in practices to build trust and facilitate proper intermediation. KIIss emphasized that the lack of sophisticated products in the market is a significant limitation,

**Practical skills:** KIIss assert that professional qualifications in the financial sector are important but do not replace empirical experience that is obtained by working on a day-to-day basis within a high-level financial institution. This lack of experience thus acts as a constraint.

**Cost:** KIIss recognize the importance of professional training and aim to attract reputable training institutions to establish a presence in Rwanda. However, cost is often identified as a significant barrier, so efforts are being made to mobilize funds through government and private sector players and seek support from development partners.

Expected skills demand over the next 3-5 years.

For the regulatory industry, the expected skills demand for the coming 3-5 years are as follows.

**Collaboration, partnerships & effective driven results skills:** Industry players recognize the need for collaboration with various stakeholders to achieve this target. They mention that other financial centers have established skills councils that play a crucial role in identifying skills gaps and developing strategies for implementation.

**Certification & qualification acquired skills:** As the financial sector evolves, new skills are becoming necessary to meet the emerging challenges and opportunities. Some examples of these skills include Corporate Governance, Anti Money Laundering, and wealth management. Regulatory industry players acknowledge the importance of staying updated with the changing landscape of the financial sector and ensuring that the Occupational Development List (ODL) reflects the evolving skill requirements of the industry. Interviewees assert that in Rwanda, there has been a focus on degrees rather than certifications, but the country is open to recommendations that can yield better outcomes. The current approach, such as Technical and Vocational Education and Training (TVETs), has faced challenges with graduates who are not adequately prepared for the market. The Jersey Capital model, which focuses on building skills internally, is seen as a potential alternative worth exploring. Interviewees anticipate significant demand for skills in various areas in the coming years, including financial technology (Fintech), risk management, regulatory compliance, sustainable finance, corporate finance, mathematical finance/statistics, data science, actuarial science, research and analysis of financial

markets, business development, economics, statistics, and data analytics. For specific roles in the depository and bond trading sectors, short courses and specialized training programs are essential to ensure professionals have the required skills and knowledge. Additionally, there is the emphasis on emerging fields like Fintech, beneficial ownership, custodial services, and wealth management. For governance specifically, there is a plan to require board directors to obtain certification, given the significant implications their roles have.

Practical/ experience acquired skills: There is a need for exposure and continuous education to open staff to what can be done. Now, there is a lot of duplication where different government institutions are focusing on the same thing to achieve the same goal but under different departments. Additionally, interviewees highlight the need to differentiate between knowledge and skills. Knowledge refers to theoretical understanding and expertise in a particular subject area, while skills pertain to the practical application and ability to perform specific tasks. Both aspects should be considered when assessing occupational demands and developing strategies to address skill gaps in the market. Interviewees emphasized that the gold standard for finance professional qualification would be the CFA (Chartered Financial Analyst), as the exams are not only technical but also cover a lot of key topics. Furthermore, the CFA curriculum is frequently updated to keep up with industry trends. There is also a minimum requirement of 4 years of relevant work experience to qualify as a CFA charter holder. However, interviewees stress that it is important to note that having the charter alone does not negate the importance of additional real-world experience.

#### 4.6. Mapping Certified and Qualified Professionals in the Financial Sector

Following the preliminary results obtained from the 1,500 data points mentioned in Section 4 above, this section aims to address and further review several crucial points:

Assess the extent of certification among employees in the local Financial Sector and identify their areas of certification.

Determine the types of qualifications that will be in demand within the Domestic Financial Sector in the short to medium term.

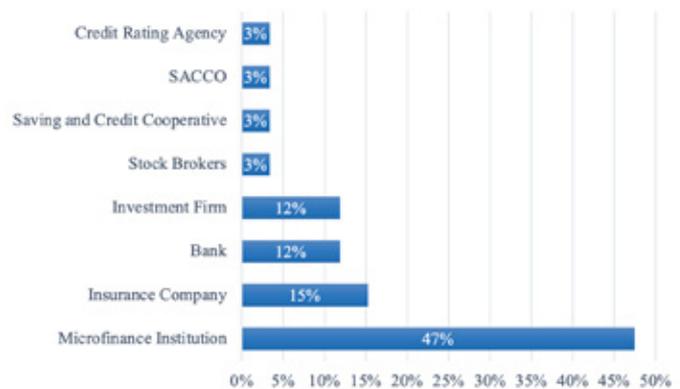
Make recommendations on the strategic allocation of scarce training resources based on the findings.

Assess whether the anticipated skilled workforce numbers for the Domestic Sector are grounded in reality. Details and the survey instrument can be found in Annex II.

**A summary of the findings is shown below:**

#### 4.6.1. Profile of Sample Pool

Figure 17: Types of Institutions that Responded.



Source: Vanguard Economics, 2024

After data cleaning, data was retrieved from the following top responders as follows: A follow up survey was conducted with a pool of 59-60 financial institutions across all key industries including; 28 MFIs

- 10 banks, including the regulator
- 9 insurance companies
- 6 investment firms and,
- Who are the six remaining? ...stockbrokers, capital markets?

#### 4.6.2. The type of Professionals Critically Needed

Institutions were asked to list professionals that were critically needed in their institutions. The figure below ranks them in percentage responses.

Figure 18: Types of Professionals Critically Needed



Source: Vanguard Economics, 2024

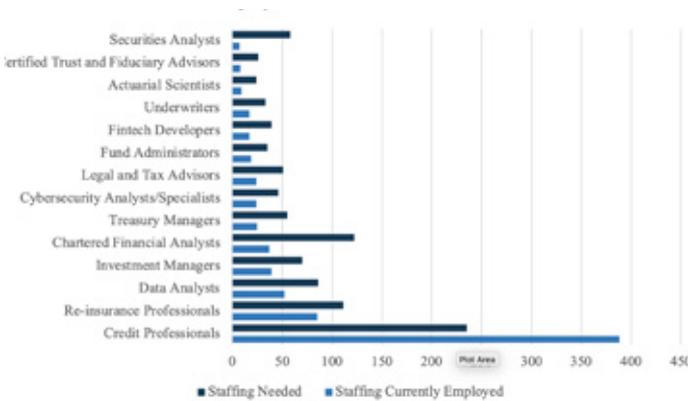
The respondents chose the following top 5 professionals as critically needed are:

- Chartered Financial Analysts
- Credit Professionals
- Investment Managers
- Legal and tax Advisors
- Data Analysts

### 4.6.3. Gap between Employed vs Needed Professionals

The respondents were asked to list the numbers of those professionals in 3.4.3, above, that were currently employed and the number that were needed. The figure below shows the gap.

Figure 19: Employed vs. Needed Professionals



Source: Vanguard Economics, 2024

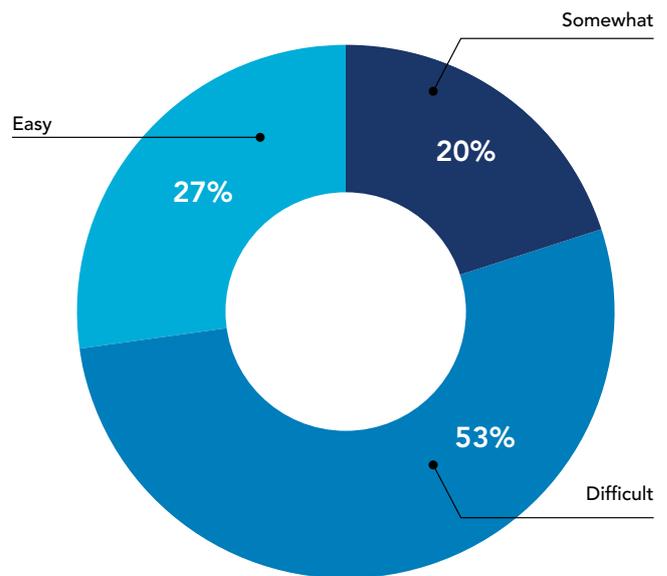
The survey showed the top 5 skills gaps in the financial sector remains with chartered financial analysts, reinsurance professionals, data analysts, investment managers, and a tie between securities analysts, treasury managers and international legal and tax advisors. Majority of firms highlighted a skills gap of over 200% when comparing professionals currently employed vis-à-vis recruitment needs.

One the key drivers sighted for these skills gaps was the level of difficulty financial institutions face in recruiting the needed financial professionals.

### 4.6.4. Recruitment Difficulty

Data collected showed that majority of respondents found it difficult to hire the critically needed professionals; 53% ranked above 5 (Ranking of 6-10), while 27% found the recruitment process to be relative easy i.e., below 5.

Figure 20: Recruitment Difficulty



Source: Vanguard Economics, 2024

### 4.6.5. Demand for Professional Certifications

Respondents were asked to list the kinds of professional financial certificates that were highly sort after in their industry. The highest demand for qualifications is in the accounting and financial field including the chartered accountant and financial analyst certification (ACCA and CFA). Chartered Institute for Securities & Investment (CISI) ranked third.

Figure 21: Highly Demanded Certificates



Source: Vanguard Economics, 2024

### 4.6.6. Certified Professionals

The respondents were asked to list numbers of their staff that held the highly sought after certifications. The table below shows the breakdown of the staff with those certifications.

Table 3: Staff with Desired Certifications and/persuing certifications

QUALIFICATIONS	CERTIFIED/PERSUING CERTIFICATION	PERCENTAGE OF CERTIFIED STAFF
ACCA	85	22%
CFA	29	7%
CISI	29	7%
Certified/ chartered Director	28	7%
Certified Compliance specialist	28	7%
Chartered Wealth Manager	15	4%
Chartered Actuarial Scientist	5	1%
Other certificates:	171	44%
<b>TOTAL</b>	<b>390</b>	

Source: Vanguard Economics, 2024

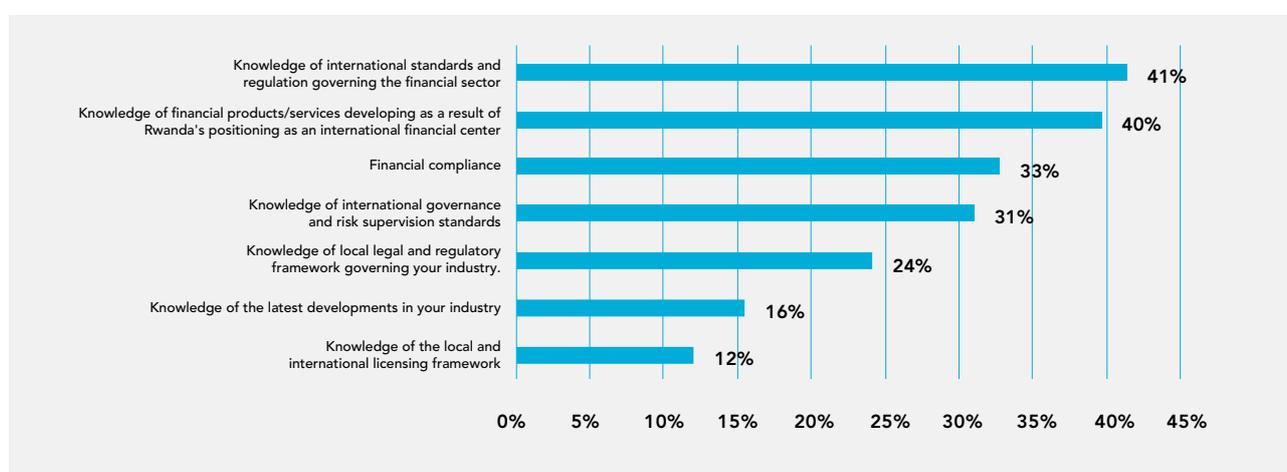
**Please Note:** The gathered data indicates that a significant number (85) of certified staff hold the ACCA qualification, accounting for 22% of those certified. Despite this, the market demand for ACCA-qualified individuals remains unmet, as it is the most highly sought-after qualification, a trend also observed with CFA and CISI certifications.

The survey reveals as well that respondents currently employ 751 professionals, as illustrated in Figure 18. Of these, 219 have finance-related certifications, calculated by taking the total number of certified staff (390) and subtracting those with other types of certificates (171), as referenced in Table 3. However, this should not translate to a simple rate of 219 out of 751, which would be 29.1%, but rather should refer to the total workforce number that was used in Figure 5. Specifically, the report stated that 43% of the workforce, amounting to 27,029 individuals, occupies skilled roles, which totals to 11,600 people. This alters the denominator for our calculations. Excluding the key certifications mentioned previously, we find that 219 staff members hold the certifications deemed necessary or listed, potentially depicting a more concerning ratio.

### 4.6.7. Skills/Capacity Needs for Regulatory Bodies

The survey asked regulators to pinpoint gaps or areas for capacity building. Respondents identified a training gap in terms of international norms, regulations, and knowledge of financial products and services, all of which are essential to position Rwanda as a global finance hub. Furthermore, they emphasized the necessity for staying abreast of sector trends and gaining a deep comprehension of the legal and regulatory structures relevant to the industries under their purview as shown below;

Figure 22: Key Areas to build Capacity for Regulatory Bodies



Source: Vanguard Economics, 2024

### 4.6.8. Relevance of the Survey and Frequency of the Survey

Most of the respondents agreed that the survey was relevant and that it should be conducted annually as shown in the figures below:

Figure 23: Relevance of the Survey

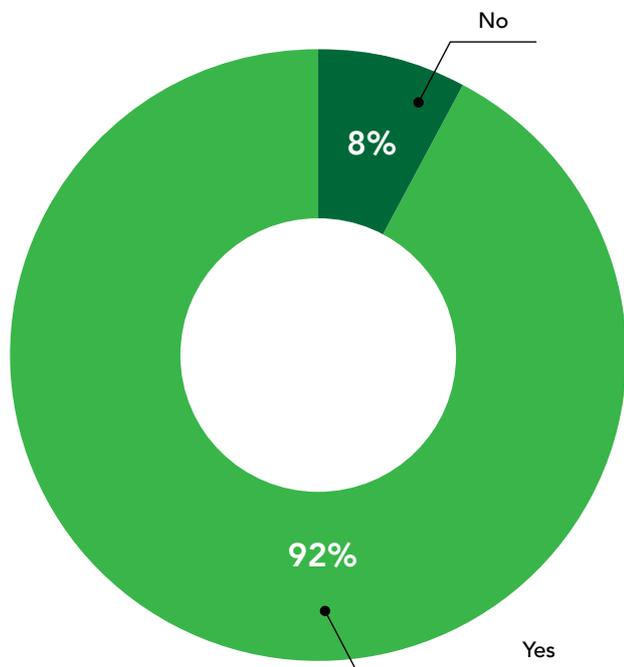
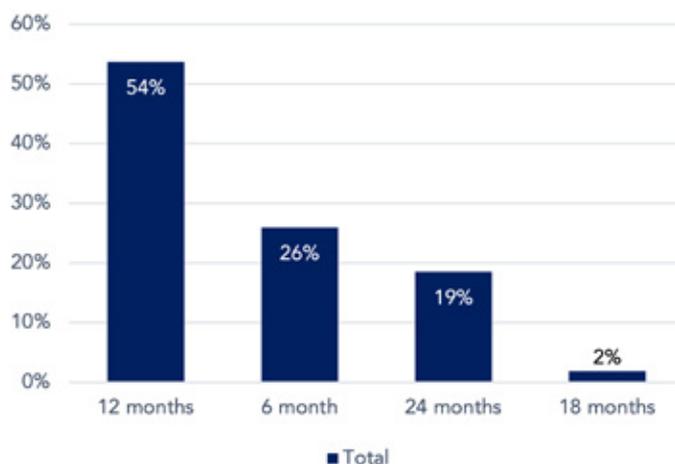


Figure 24: Frequency of the Survey



Source: Vanguard Economics, 2024

### 4.6.9. Key Takeaways

The collected data, acquired from 59 financial institutions, represents a sample pool of about 10% of the total number of financial institutions in Rwanda, and underscores a significant demand for skilled professionals within the sector. According to the findings from these financial sector skills survey, there is a skills gap of over 200% for skilled professionals critically needed in the sector

The preeminent skills on demand pertain to finance, data, investment and reinsurance, with particular emphasis on the need for data and financial analysts. The survey also shed light on the challenges associated with recruiting such vital personnel, with 53% of the participating institutions rating the difficulty of the hiring process as above 5 on a 10-point scale.

Certifications that are highly coveted in the financial sector include those awarded by the Association of Chartered Certified Accountants (ACCA) and the Chartered Financial Analyst (CFA) Institute. The Chartered Institute for Securities & Investment is also notable, ranking third in demand. Furthermore, there exists an unmet need for professionals possessing specialized certifications such as Chartered Actuarial Scientist, Chartered Wealth Manager, Certified Compliance Specialist, and Certified/Chartered Director.

The survey further identified areas where regulatory bodies are encountering a deficit in capacity, notably in the comprehension of international standards and regulations, financial compliance, and the insight into the latest industry developments. It is discernible from the study that there is an imperative for an increased number of staff to be adept in international norms and standards governing the financial sector, alongside knowledge of the burgeoning financial products and services due to Rwanda’s emergence as an international finance hub.

The relevance of the survey was affirmed by the majority of respondents, who advocated for its annual administration. They expressed a preference for the dissemination of the results through workshop presentations.

Finally, the secondary survey further confirmed the recommendations for an annual “census” of skills in the Financial Sector, facilitated by the regulators, as certifications and the overall survey response rate reported remain low..



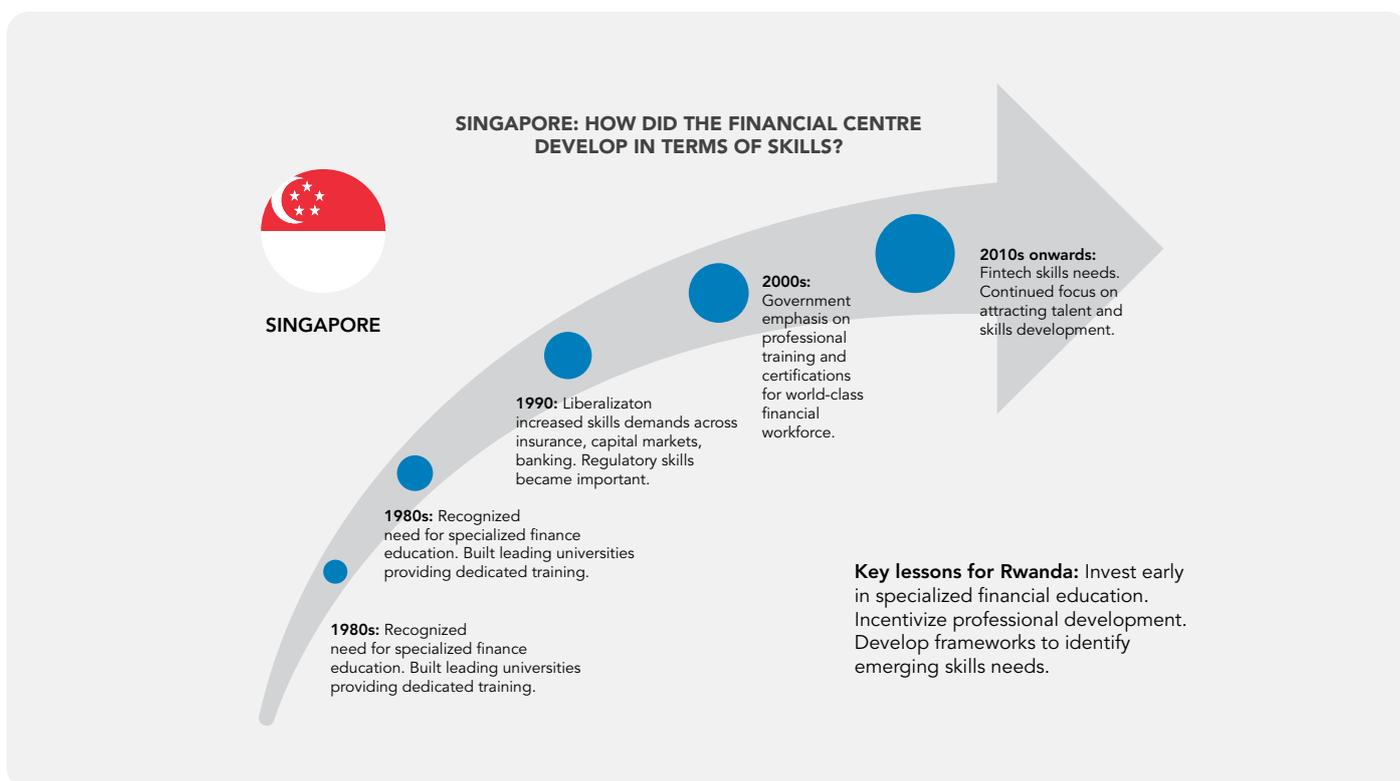
# Comparator Markets

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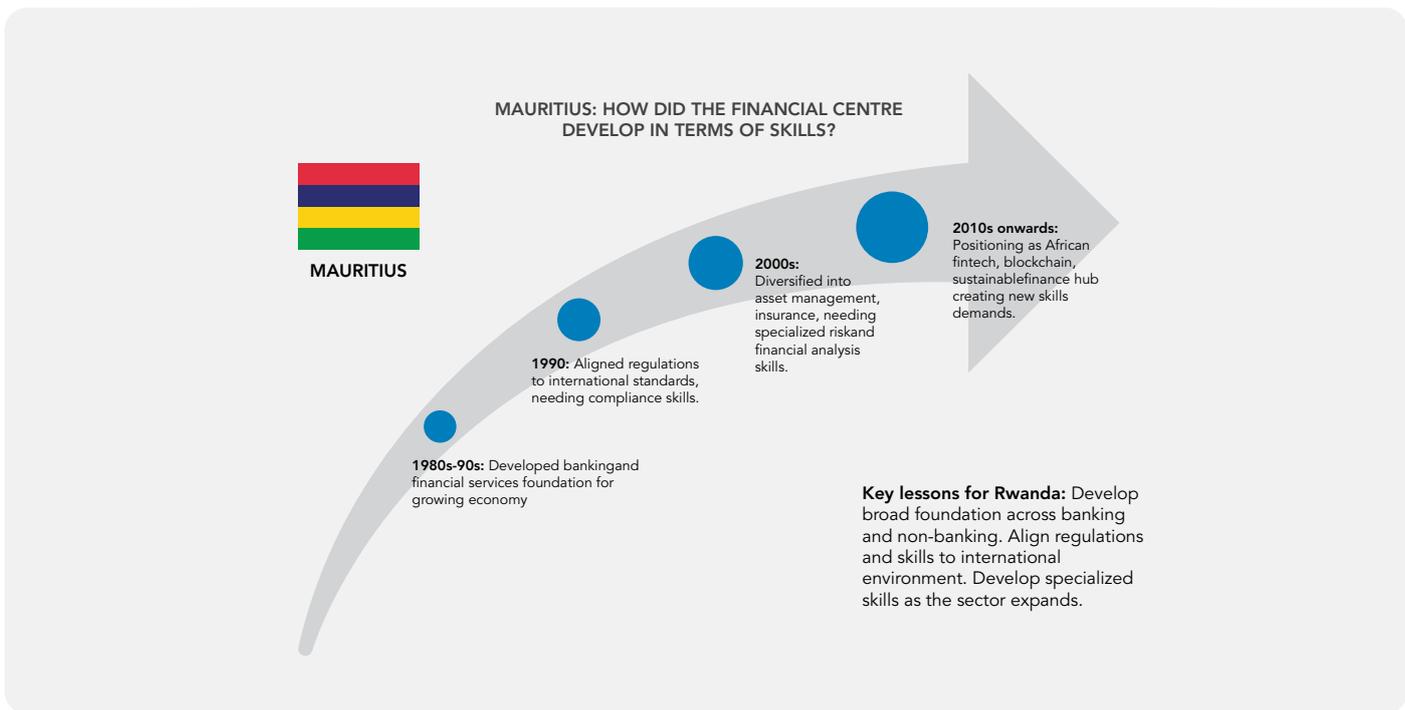
## 5. COMPARATOR MARKETS

This chapter reviews best practice requirements for IFCs based on human capital development strategies of relevant regional and international jurisdictions.

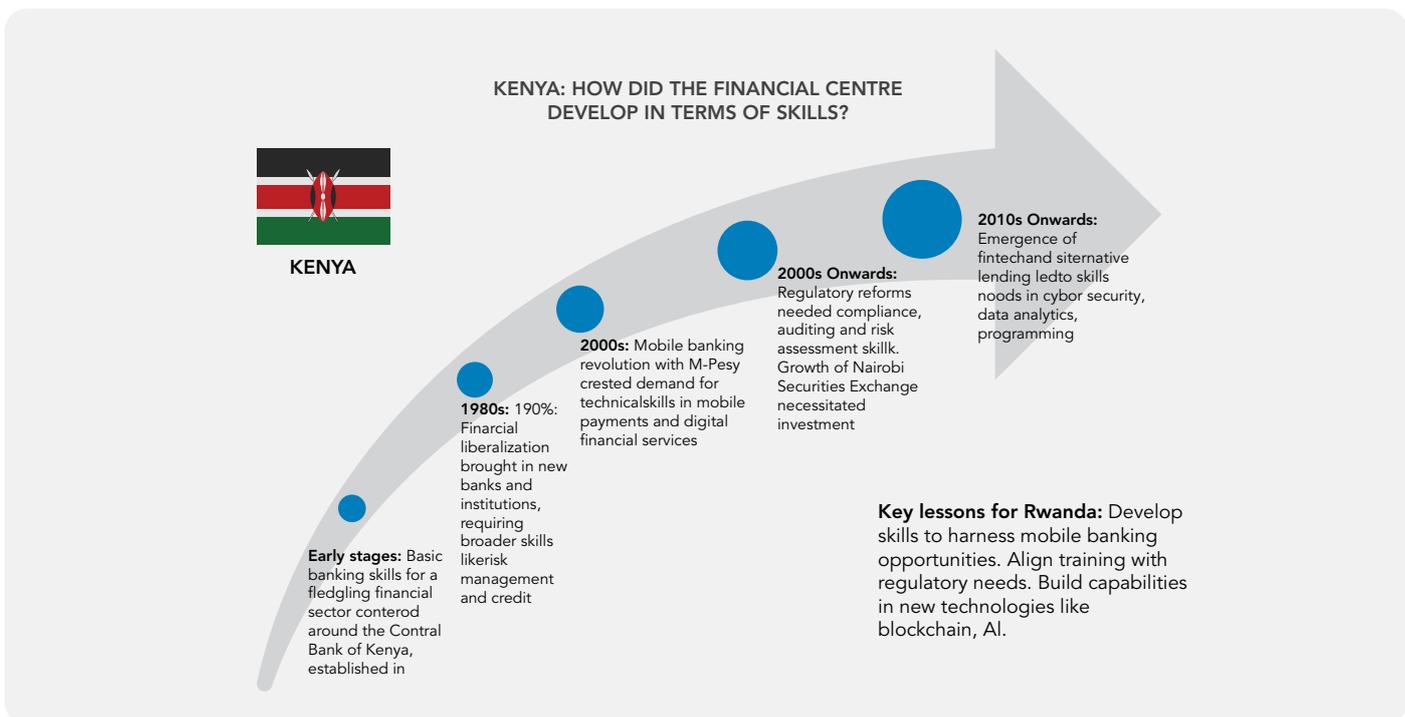
Singapore has a total of 132 banks, including 22 merchant banks and 32 banks with representative offices. The Human Capital Index, developed by the World Bank, measures the economic and professional potential of citizens. The index ranges from 0 to 1, with values of 0.4, 0.6, and 0.9 for Rwanda, Mauritius, and Singapore, respectively, as of 2020. This indicates that Rwanda, although in close proximity to Mauritius, is significantly lagging behind the best-performing countries. Singapore’s financial sector, as outlined in its industry transformation map (ITM), aims to create 3,000 to 4,000 net jobs annually and achieve an average growth rate of 4-5% each year between 2021 and 2025. Job opportunities in sustainable finance, fintech, data, and traditional finance sectors are expected to increase, but upskilling will be necessary (source: [mycareersfuture.gov.sg](http://mycareersfuture.gov.sg)). Between March 2023 and June 2023, there were an average of 1,958 finance-related job postings in Singapore, with a total of 6,013 active finance-related jobs (source: GlobalData). In 2022, the median salary in the financial and insurance services sector was \$8,190. Finance degree holders earn a median monthly income of \$8,190 Singaporean Dollars (equivalent to 6,014.74 USD per month or 72,176.88 USD per year), which is 71.4% higher than diploma holders (source: [mom.gov.sg](http://mom.gov.sg)). See below illustration of how the Singaporean financial centre has developed over time.



Mauritius: There are currently 20 banks in Mauritius as of 2022. Out of these, 5 are local banks, 10 are foreign-owned subsidiaries, 1 is a joint venture, and 4 are branches of foreign banks. Additionally, there is 1 licensed private bank. Mauritius has attracted some of the largest and most reputable international banks, which are involved in international cross-border activities. As of 2021, the Mauritius International Financial Centre (IFC) contributed approximately 40.171 billion MUR (equivalent to approximately \$897.78 million at an exchange rate of \$1/0.022 MUR as of 11/9/23) to the Mauritius GDP, which stood at \$11.26 billion as of 2022. This information can be found in Facts & Figures on the Mauritius Financial Services website ([mauritiusifc.mu](http://mauritiusifc.mu)). Additionally, the Mauritius IFC provided employment for 10,473 individuals as of December 2022, as stated in the Employment Data provided by the Financial Services Commission of Mauritius ([fscmauritius.org](http://fscmauritius.org)). In terms of compensation, the average salary in the financial sector of Mauritius is 1,804,656 MUR per annum (approximately \$39,882.90 per annum). This information can be found in the Average Salary in Mauritius 2023 Guide provided by Salary Explorer ([salaryexplorer.com](http://salaryexplorer.com)). See below illustration of how the Mauritius financial centre has developed over time.

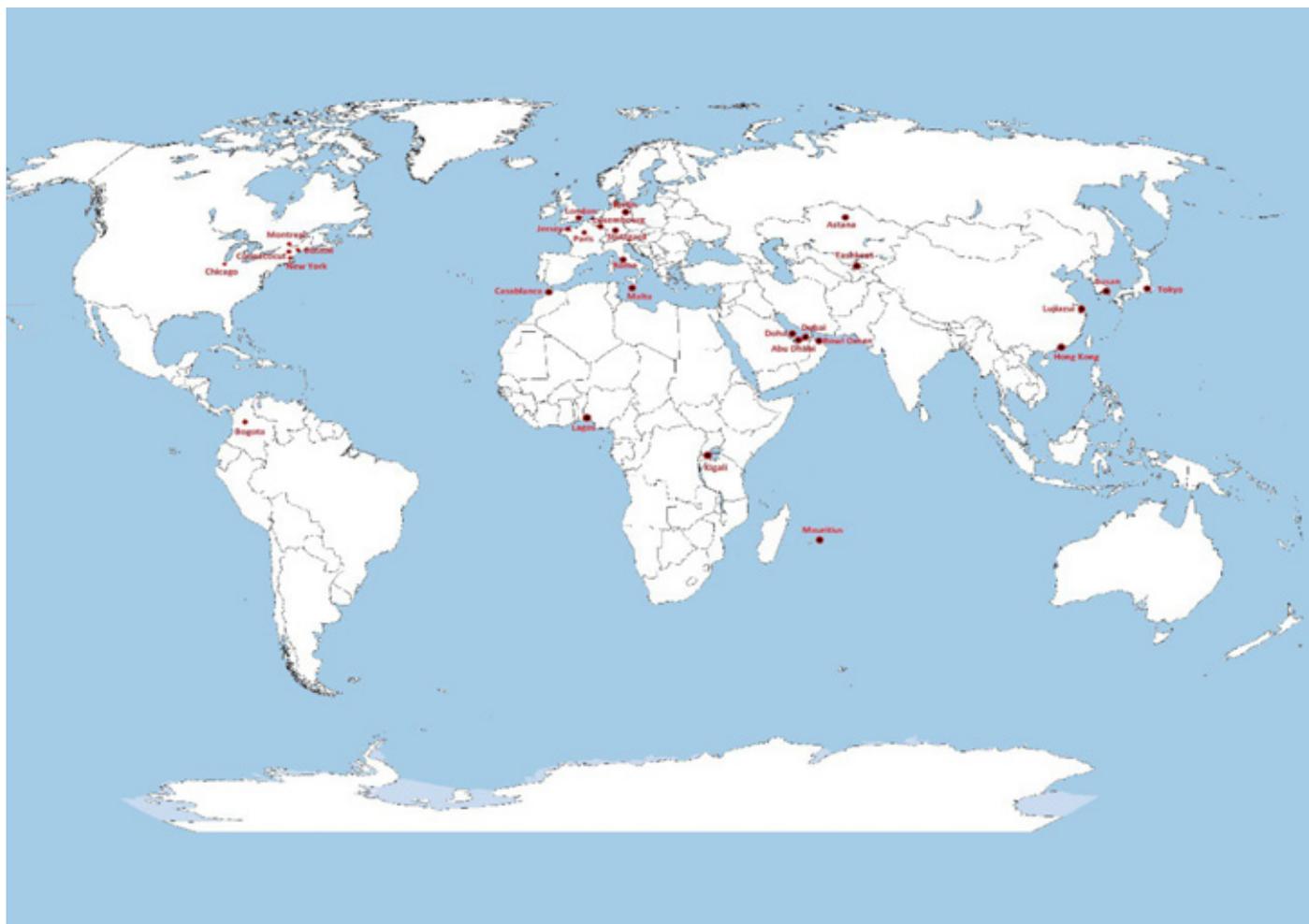


Kenya: As of June 2022, the Kenyan banking industry consisted of 38 commercial banks, 1 mortgage finance company, 1 mortgage refinance company, 14 microfinance banks, 9 representative offices of foreign banks, 68 foreign exchange bureaus, 17 money remittance providers, and 3 credit reference bureaus. The total bank assets in Kenya surpassed six trillion Kenyan shillings, equivalent to approximately 50 billion U.S. dollars, in 2021. Furthermore, in 2021, commercial banks in Kenya had 82,780 agents, a growth from 78,371 in the previous year. These agents, being commercial entities, offer financial products and services on behalf of traditional banks. The agency banking model, introduced in 2010 by the Central Bank of Kenya, allowed banks to expand their network without increasing the number of branches. As a result, transactions conducted through bank agents in Kenya totalled around 13 billion U.S. dollars in 2022. Regarding compensation, as of 2022, the financial and insurance sector employed a total of 74,100 individuals, with 37,100 being male and 37,000 being female. The sector paid a total wage of 176,354,300,000 Kenyan shillings, which is approximately \$2,379,950 based on an average exchange rate of 117.87 Kenyan shillings per U.S. dollar in 2022. The average wage per employee in this sector was \$20,191.31. See below illustration of how the Kenyan financial centre has developed over time.



The categorization presented below showcases the important cities worldwide in the financial sector. According to the map, Mauritius is recognized as one of the centers for fund administration. As for Kigali, its status regarding its speciality in the financial sector has not been determined yet. Once its financial center is established, it is likely to gain global recognition for its distinctive capabilities.

Figure 25: Financial Centers Globally



Source: compiled from World Alliance of International Financial Centers (2023)

Likewise, fintech startups are gaining increased recognition and significance worldwide.

### Evolution of IFCs - The Case of Singapore, Mauritius, and Kenya

“IFCs are loosely defined as locations or cities hosting a collection of financial services providers and facilities with a substantial amount of international activity, in either relative (international vs. domestic) or absolute terms.” (Blueprint Mauritius IFC).

Over the past 20 years, countries such as Singapore and Mauritius have placed themselves as IFCs for the Asia Pacific and Africa regions, respectively, given their geographic advantages. The key constituents for such financial centres to flourish have been a robust pro-business environment with relatively low red-tape, an efficient and developing regulatory framework, and an abundant presence of skilled human capital as well as the social capital of the top executives with access to a diverse range of financial professional courses and networking opportunities. The financial framework and political stability of these countries have provided the requirements to initiate international financial centers (IFCs) and they have become home to over 2,000+ financial institutions which offer an array of diverse financial products and services.

Singapore is one of the largest and fastest-growing financial centres in Asia. As of 2023, there are 132 banks in Singapore, 22 merchant banks, and 32 banks with representative offices operating in Singapore. The total amount of assets belonging to the banks in this country stood at 2.3 trillion USD in 2021, which is relatively massive. The Monetary Authority of Singapore (MAS) regulates the banking industry in Singapore. MAS is not only the central bank of Singapore but also operates as the financial regulator. Singapore and Mauritius’ International Financial Services Centers (IFCs) were transformed

after the global financial crisis spanning the period 2007 to 2009. They have now proven to be successful in sectors like fund administration, asset management, and global portfolio diversification, global tax management and cross-border tax liability optimization, global and regional corporate treasury management operations, risk management, captive insurance, and Mergers & Acquisitions (M&As). As time passed by, the markets have grown in sophistication and the variety of financial products offered has expanded to include wealth management, high net worth individuals, trusts, and limited liability partnerships, among others.

The human capital index by the World Bank measures the economic and professional potential of the citizens. The range of this index is between 0 to 1. The values are 0.4, 0.6, and 0.9 for Rwanda, Mauritius, and Singapore, respectively, as of 2020. This suggests that Rwanda, though close to Mauritius, is currently lagging the best-performing countries by a significant margin. There is research evidence that suggests a negative effect of skill shortages on firm productivity at the micro level, and this affects the GDP growth rate at the macroeconomic level. The discussion below provides some suggestions for Rwandan authorities to consider plans for improved workforce and enhanced human capital.

### 5.6.1. Current Landscape of Singapore

In the 2017 Global Financial Centres Index, Singapore was ranked as the third most competitive financial center in the world, following London and New York City. It was also ranked alongside cities such as Hong Kong, Tokyo, Sydney, and Toronto. Singapore is a major global player in the banking and finance industry, with over 200 national and international banks operating there. Many banks have established their headquarters in Singapore, making it a major financial hub in Asia. The banking and finance sectors in Singapore have their foundations in the establishment of the Asian Dollar Market (ADM) in 1968. The ADM allowed financial sector actors to bridge the gap between the closing of American markets and the opening of European markets the following day. It also allowed international banks to participate in Singapore's financial ecosystem, which supported the development of other players in the industry. To further support the growth and regulation of the financial services industry in Singapore, the Monetary Authority of Singapore was set up in 1971.

The Stock Exchange of Singapore was created in 1973, enabling companies to raise funds through equity. The Singapore International Monetary Exchange and the SESDAQ board were established in 1983 and 1987, respectively. The SES and SIMEX merged to form the Singapore Exchange, diversifying Singapore's capital market. The Infocomm Media Development Authority and SkillsFuture Singapore developed the Skills Framework for ICT in collaboration with ICT industry stakeholders. This framework highlights seven aspects of ICT, including data, infrastructure, professional services, security, sales and marketing, software and applications, and support. These considerations have implications for financial sector companies. According to the latest financial statements report from the Monetary Authority of Singapore in 2023, they have allocated funds for the development and upgrading of skills and expertise in line with the requirements of financial services. These developmental programs include the Talent and Leaders in Finance Programme, aimed at developing early-career professionals, mid-career professionals, specialists, and leaders in the financial sector.

The Talent and Leaders in Finance Programme has funding of S\$400 million for 2021-2025 from the Singaporean Financial Sector Development Fund. The Institute of Banking and Finance Singapore (IBF) focuses on developing professional competencies in the financial sector. They utilize the use of the Future Skills Accelerator (FSA), an AI-integrated cloud-based platform, to transform the workforce efficiently and quickly. IBF recognizes technology and sustainability as crucial dimensions of the future of finance and has plans to upskill and reskill the workforce accordingly. They have provided training in technology-related areas such as AI, wealth management, business analysis, cloud systems, cybersecurity risk, data analytics, and software engineering to over 1,000 mid-career employees through the Technology in Finance Immersion Programme.

Additionally, over 6,000 individuals from 60 financial institutions have been trained. IBF-accredited future-enabled skills training programs include digital awareness, agile/entrepreneurial thinking, data analysis, future communication, human-centered design, and risk & governance in the digital world. In terms of sustainable finance, the Institute of Banking and Finance Singapore has identified carbon markets, decarbonization strategy, and climate change management as critical topics for private banking relationship management in the next three years.

In April 2023, MAS & IBF launched the Polytechnic Talent for Finance Scheme (see Pre-employment - Internship ([ibf.org.sg](http://ibf.org.sg))) to encourage financial institutions to hire and train polytechnic graduates. In addition, 3,000 people attended IBF certification in compliance, consumer banking, private banking, financial planning, and risk management. Other schemes include the Work Study Support Programme (WSSP), Finance Associate Management Scheme (FAMS), Financial Training Scheme (FTS) and the IBF Standards Training Scheme (IBT-STs).

WSSP is a program that enhances job readiness of undergraduates via structured internships (see: Work-Study Support Programme (WSSP) ([ibf.org.sg](http://ibf.org.sg))). The WSSP provides a training allowance (80% of a monthly stipend, capped at \$1,000 per student), and can be applied for by financial institutions for skills development in functional domains (e.g. Private Banking, Business Analytics,) and Technology.

FAMS is a program that grooms recent graduates for future specialist and management roles (see: Finance Associate Management Scheme (FAMS) ([ibf.org.sg](http://ibf.org.sg))). The program provides salary support and posting expenses (capped at \$5,000 for overseas attachment, capped at 6 months) for skills development in functional domains (e.g. Portfolio Management, Private Banking, Research, Trading, Investment, Actuarial and Insurance), Sustainable Finance, Technology, and International capability.

FTS provides funding for financial institutions' employees in in-house and external training programs that are recognized by IBF (see: Financial Training Scheme (FTS) ([ibf.org.sg](http://ibf.org.sg))). The support scheme, ranging from 30% to 90% funding support (depending on start date) can be applied for by financial institutions and Fintech firms certified by the Singapore FinTech Association for skills development in the functional domains (financial-sector relevant courses), Sustainable Finance, and Technology (mainly on Data Analytics, Technology Application and Cybersecurity).

BT-STs is a program that provides funding for in-house and external training programs that are accredited by IBF. Individuals who successfully

complete an eligible IBF-STs accredited assessment program and meet the relevant criteria can apply for IBF Certification - an industry-endorsed mark of quality for finance professionals in Singapore (IBF Standards Training Scheme (IBF-STs)). The scheme is open to individuals, financial institutions, and fintech firms certified by the Singapore FinTech Association for skills development in functional domains (Areas under Skills Framework for Financial Services – including Sales/relationship management, Trading and Execution, Product Solutions and Management, Operations, Risk, Compliance), Sustainable Finance and Technology (mainly on Data Analytics, Technology Application, and Cybersecurity). IBT-STs provides course fee support (ranging from 50% to 90% funding support, depending on the course start date).

Gan (2020) notes that Singapore's national jobs portal, [MyCareers-Future.sg](#), has implemented JobKred's technologies to power the intelligence behind all job searches, using machine learning to train an AI engine to perform the job matching process to detect the skills gap and then focus on the insufficient areas. According to Singapore's Industry Transformation Map (ITM), Singapore's financial sector aims to create 3,000 to 4,000 net jobs annually and achieve an average growth of 4-5% annually between 2021 and 2025. Jobs in sustainable finance, fintech, data, and traditional finance sectors will be on the rise, but upskilling will be needed (See: Singapore Financial Services Industry Outlook: Hiring Heats Up With 2025 Goals ([mycareersfuture.gov.sg](#))). Between March 2023 and June 2023, the average number of finance-related jobs posted stood at 1,958, while the number of active finance-related jobs stood at 6,013 (See: Singapore: Job Trends in the Financial Services Sector (March 2023 - June 2023) - GlobalData).

Compensation: In 2022, the median salary of the financial and insurance services sector was \$8,190. Degree holders in the finance sector earn a median income of \$8,190 Singaporean Dollars (6,014.74 USD or 72,176.88 USD/annum), 71.4% more than diploma holders (see: Labour Market Statistics and Publications ([mom.gov.sg](#))).

### 5.6.2. Current Landscape of Mauritius

The economy of Mauritius has undergone significant changes in structure in the last 50 years. It has transitioned from being a small agricultural economy to focus on industries such as textiles, tourism, and eventually the service sector. This shift has involved the development of business process outsourcing, information and computer technology, financial services, and global business activities. Since the reforms implemented in 1985, Mauritius has established itself as a significant player not only within the African sub-Saharan region but also globally. The Bank of Mauritius, which acts as the country's central bank regulates the banking sector in Mauritius. Its responsibilities include formulating and implementing monetary policies, promoting financial stability, and regulating and supervising banks and other financial institutions in Mauritius. The Bank of Mauritius plays a crucial role in maintaining the stability and integrity of the financial system and ensuring the soundness of the banking sector. Currently, there are 20 banks operating in Mauritius as of 2022. Among these, 5 are local banks, 10 are foreign-owned subsidiaries, 1 is a joint venture, 4 are branches of foreign banks, and 1 is licensed as a private bank. Many reputable international banks operate in Mauritius and engage in cross-border activities. Below is a list of the banks in this economy:

- ABC Banking Corporation Ltd
- AfrAsia Bank Limited
- Bank One Limited
- Bank of Baroda
- Bank of China (Mauritius) Limited
- Banque des Mascareignes Ltée
- BanyanTree Bank Limited
- Barclays Bank Mauritius Limited
- Century Banking Corporation Ltd 1
- Deutsche Bank (Mauritius) Limited 2
- Habib Bank Limited
- HSBC Bank (Mauritius) Limited
- Investec Bank (Mauritius) Limited
- MauBank Ltd
- SBI (Mauritius) Ltd
- SBM Bank (Mauritius) Ltd
- Standard Bank (Mauritius) Limited
- Standard Chartered Bank (Mauritius) Limited
- The Hongkong and Shanghai Banking Corporation Limited
- The Mauritius Commercial Bank Limited
- Warwyck Private Bank Ltd

The MOBAA Act (Mauritius Offshore Business Activities Act) was introduced in 1992. An offshore Trust Act followed by an International Companies Act were also enacted in 1994, thereby allowing for the creation of offshore entities that could be used for international business and investment activities by non-residents. In 2001 the MOBAA Act was repealed and substituted by the Financial Services Development Act 2001 (FSD Act) under which the Financial Services Commission (FSC) was established to regulate the non-banking financial sector including global business activities, insurance, and the capital markets sector. FSC's vision is "to be an internationally recognized Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre".

In carrying out its mission, the FSC aims to:

- promote the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius.
- suppress crime and malpractices to provide protection to members of the public investing in non-banking financial products; and
- ensure the soundness and stability of the financial system in Mauritius.

Over the past few decades, Mauritius has gained international recognition as a well-known location for financial services. This recognition has come from adopting International Best Business Practices that have been acknowledged by organizations such as the Organisation for Economic Cooperation and Development (OECD), the Financial Action Task Force (FATF), and the World Bank (WB). The Mauritius International Financial Centre (IFC) has a strong track record in cross-border investment and finance and provides a well-regulated and transparent platform. It is home to many international banks, legal firms, corporate services, investment funds, and private equity funds. Utilizing its modern infrastructure, innovative legal framework, and business-friendly environment, the Mauritius IFC offers a wide range of competitive financial products and services, including private banking, global business, insurance and reinsurance, limited companies, protected cell companies, trusts and foundations, investment banking, and global headquarters administration.

Additionally, as a sophisticated platform for cross-border investment, the Mauritius IFC is well-positioned to attract investment and promote prosperity in Africa. It actively explores new business opportunities and investment avenues for international firms looking to invest in Africa. With its political, social, and economic stability, and its regulatory framework, the Mauritius IFC provides global investors with confidence when considering Africa as an investment destination. The Mauritius Africa Finance Hub (MAFH) has implemented a skills program focused on FinTech, financial literacy, and recent developments in areas such as artificial intelligence (AI) and blockchain. It also emphasizes leadership, entrepreneurship, and startups to enhance skills for successful digital transformation and technological adoption.

Furthermore, considering the lessons learned from the Covid-19 pandemic, the importance of investing in online learning techniques and methodologies has become evident. In the budget for 2020-2021, the finance ministry of Mauritius allocated resources to reinvent digital skills and place greater emphasis on innovation activities. It is also recognized that for the younger generation in Mauritius, developing skills in creativity, teamwork, empathy, and innovative thinking has become even more important due to the impact of disruptive technologies. As at 2021, the Mauritius IFC contribute 40.171bn MUR (approx. \$897.78M @\$/MUR = 0.022 as @ 11/9/23) to the Mauritius GDP which stood at \$11.26BN as at 2022 (see: Facts & Figures | Mauritius Financial Services (mauritiusifc.mu)). The Mauritius IFC provided 10,473 as @ Dec 2022 (see: Employment Data - Financial Services Commission - Mauritius (fscmauritius.org)).

Compensation: The average salary in Mauritius financial sector is 1,804,656 MUR/annum (approx. \$39,882.90/annum) (Average Salary in Mauritius 2023 - The Complete Guide ([salaryexplorer.com](https://salaryexplorer.com))).

### 5.6.3. Current Landscape of Kenya

Kenya's economy performed weaker in 2022, moving towards the country's long-term growth rate. Real GDP grew 4.8 percent in 2022, showing slower progress compared to the strong rebound of 7.5 percent in 2021 following the Covid-19 crisis. However, this growth rate aligns with Kenya's potential GDP and the growth rates seen before the pandemic. According to Statista in 2023, around 18.3 million people were employed in Kenya in 2021. Approximately 15.3 million people worked in informal conditions, while 3.1 million were employed in the formal sector. The informal sector is

an important part of the Kenyan economy as it contributes to employment, production, and income generation.

The Nairobi International Financial Centre (NIFC) serves as a benchmark for this analysis. The NIFC was initially proposed by the Kenyan government in 2014 to establish Nairobi as a prominent financial hub in the region. However, it is still in the early stages of development despite being officially launched in July 2022. The NIFC aims to attract international investment to Kenya and Africa as a whole, providing opportunities for companies and investors to benefit from trade and investment prospects. Its goal is to secure over \$2 billion in investments by 2030. With 7.4 million micro, small, and medium-sized businesses in Kenya, these enterprises contribute to more than 30% of the country's GDP. The target is to increase this contribution to 50% in the coming years. Moreover, these businesses employ 80% of the country's workforce. Considering the current volume in Kenya, it is believed that the NIFC will soon establish itself as a key player in the East African region, creating more opportunities for domestic and international savings and investments that fuel continuous growth.

Additionally, the NIFC will attract more foreign direct investment to Kenya's financial services sector and facilitate the export of international financial services from Kenya to other African countries. This will cause further employment in financial services and related sectors like information and communications technology, business process outsourcing, and other professional services. It is worth noting that Kenya was ranked as the fifth-best country in Africa (after Egypt, South Africa, Tunisia, and Morocco) and 90th globally in the Government AI readiness Index in 2022, with a score of 40.36%. This index, compiled by Oxford Insights and the International Research Centre, assesses 194 countries. The top three countries on the list are the United States, Singapore, and the United Kingdom, while Mauritius ranks 57th. The Nairobi International Financial Centre Authority will adopt an integrated model, similar to that of the City of London. Existing regulators will continue to oversee their respective sectors as before:

- Central Bank of Kenya
- Capital Markets Authority
- Insurance Regulatory Authority
- Retirement Benefits Authority

According to the Central Bank of Kenya Annual Report 2022, the Kenyan banking industry consisted of 38 commercial banks, 1 mortgage finance company, 1 mortgage refinance company, 14 microfinance banks, 9 representative offices of foreign banks, 68 foreign exchange bureaus, 17 money remittance providers, and 3 credit reference bureaus as of June 2022. The Central Bank of Kenya (CBK) is a subscriber of Financial Stability Institute's online learning tool, FSI Connect. This tool allows banking staff to participate in online training courses, particularly in financial regulation that covers both theoretical and practical aspects. The aim is to provide continuous learning, such as in green finance, and capacity development. CBK is currently in the final stage of utilizing application programming interfaces for data collection, risk assessment tools, utilizing a chatbot as a computer-human interactive tool, and forecasting through machine learning algorithms. In Kenya, a web-based bank supervision application software is being used to facilitate offsite surveillance and onsite examination of financial institutions, ensuring a safe and sound financial

system. This software is used by 18 central banks in Africa but not yet in Rwanda. CBK is a member of the International Institute of Finance as they believe it is essential to maintain adequate skills and competencies among banking staff. As of 2021 (Statista, 2023), bank assets in Kenya reached a little over six trillion Kenyan shillings, equivalent to around 50 billion U.S. dollars. Commercial banks in Kenya had 82,780 agents in 2021, up from 78,371 in the previous year. Agents are commercial entities offering financial products and services on behalf of traditional banks. The agency banking model was introduced in 2010 by the Central Bank of Kenya as a way for banks to expand their network without increasing the number of branches. Transactions conducted through bank agents in Kenya accumulated to roughly 13 billion U.S. dollars in 2022 (Statista, 2023). While Kenya has a national skills development policy launched in 2020 with a vision for 2030, there is currently no specialized training initiative for the NIFC (National Industrial and Financial Corporation). Kenya’s mechanisms for planning, development, supervision, and coordination of skills interventions are weak, fragmented, and ineffective. This failure to align industry needs with the supply of skills has contributed to a significant gap in the labor market. (see: National-Skills-Development-Policy-2020-28-6-2020-F.pdf (knqa.go.ke)).

Compensation: According to UNwomen. Org (2023), as at 2022, the financial and insurance sector had total employees: of 74,100 (Male: 37,100: Female 37,000) and the total wage paid in the sector was 176,354,300,000 Ksh (approx.. \$2,379,950 @ 117.87Ksh/\$ average in 2022). The average wage/employee was \$20,191.31 (See: Final-Facts-Figures-2023-BOOKLET[14].pdf (unwomen.org))

### 5.1. Governance and Institutional Regulatory Framework

#### Regulatory Bodies

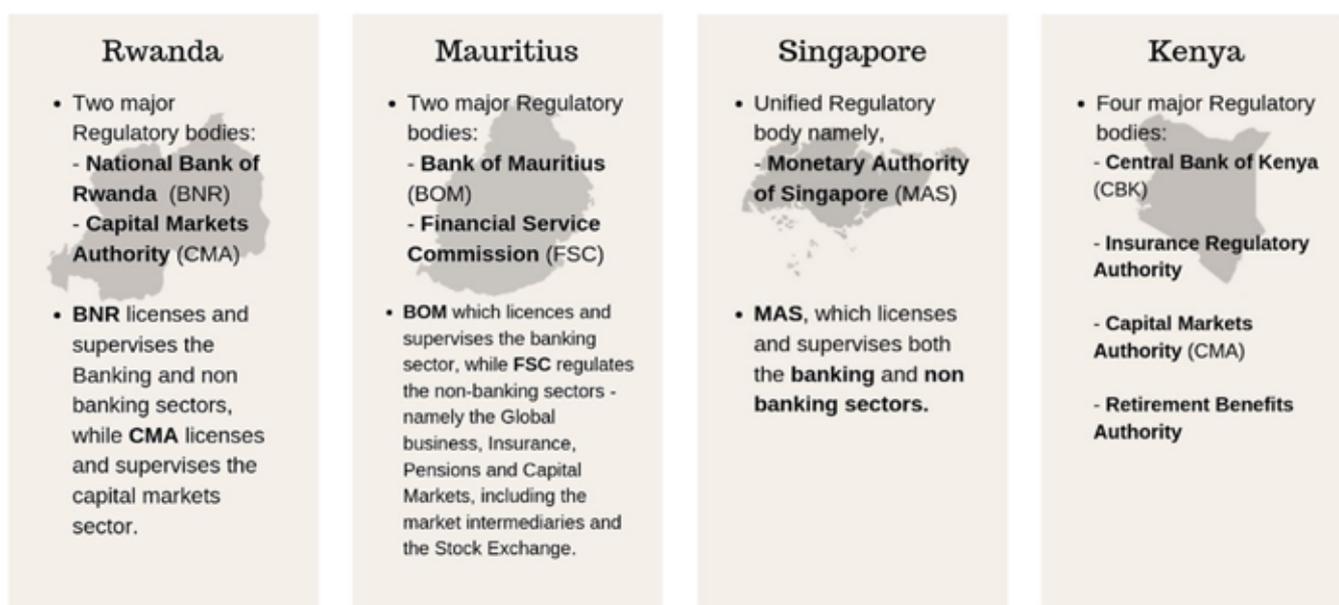
For an international hub for financial activities to be successful, it is central for the regulatory framework to be robust and favor business by minimizing procedures. The institutional capacity of regulators is vital to ensure the good reputation and trustworthiness of a jurisdiction to inspire the confidence of investors, while at the same time maintaining compliance with the international norms and standards.

In Rwanda, the financial landscape is governed by two major Regulatory bodies namely the National Bank of Rwanda (BNR) and the Capital Markets Authority (CMA). BNR licenses and supervises the Banking and non- banking sectors, while CMA licenses and supervises the capital markets sector. Further, Rwanda Cooperative Agency (RCA) regulates and supervises the cooperative sector, which includes financial cooperatives that provide financial services to local communities. Insurance Regulatory Authority of Rwanda (IRA), on the other hand, is responsible for regulating and supervising the insurance industry in Rwanda. It ensures that insurance companies follow regulations and that consumers are protected.

Mauritius has two regulatory bodies for the financial sector - namely the Bank of Mauritius (BOM) which licenses and supervises the banking sector and the Financial Services Commission (FSC) which regulates the non-banking sectors - namely the Global business, Insurance, Pensions and Capital Markets, including the market intermediaries and the Stock Exchange.

Singapore on the other hand has one unified regulatory body, namely the Monetary Authority of Singapore (MAS), which licenses and supervises both the banking and non- banking sectors.

Figure 26: The key regulatory bodies in Rwanda, Mauritius, Singapore and Kenya



Kenya has 4 Regulatory bodies, namely the Central Bank of Kenya (CBK), Insurance Regulatory Authority, Capital Markets Authority (CMA) and the Retirement Benefits Authority.

The supervisory capacity of regulators is paramount to the good functioning of IFCs as IFCs are under constant pressure from international standards setting bodies and other international organisations to ensure full compliance with constantly evolving and complex regulations on AML/CFT, BEPS, FATCA, BASEL accords, among others.

## 5.2. Approaches to Human Capital Development Strategies

Over the years, successful IFCs have put in place appropriate policies, mechanisms, and practices conducive to capacity building based on a thorough needs' assessment. Recognising that capacity building requires substantial investment and resources and time, such IFCs have adopted a multi-fold approach to address the issue of skill development. These include:

- a sectoral needs assessment of required knowledge, skills, and competencies
- a national skills audit of available local talent able to meet the needs.
- determine the gap in terms of capabilities and skills.
- put in place the necessary measures to meet any shortages in the short-, medium- and long-term.

The approaches used for human capital development by IFCs such as Singapore and Mauritius are elaborated in the section below.

### 5.2.1. Institutional & Legal Framework for Capacity Building and Incentives

#### SINGAPORE

The Skills Development Fund was established in Singapore in 1979. According to the Skills Development Fund Act, employers were required to pay a 1% training levy based on their employees' payroll. The funds collected were allocated to the Skills Development Fund. A levy grant scheme was introduced to allow employers to receive a reimbursement of 30 to 70% of their training expenses. The Skills Development Fund played a significant role in expanding company training in Singapore.

Under the Skills Development Levy (SDL) Act, all employers in Singapore, including foreign and part-time employees, are obliged to pay a monthly SDL. However, domestic servants, gardeners, and chauffeurs are exempt from this requirement. Recently, the levy amount was reviewed, and it currently stands at 0.25% of an employee's monthly remuneration. The minimum payable amount is \$2 for employees earning less than \$800 a month, and the maximum is \$11.25 for those earning more than \$4,500 a month.

All SDL payments are directed to the Skills Development Fund (SDF), which in turn supports workforce upgrade initiatives and offers training grants to employers sending their staff for training under the national Continuing

Education and Training system. The administration of the SDL and SDF falls under the SkillsFuture Singapore Agency (SSG).

The SkillsFuture Singapore Agency operates as a statutory board under the Ministry of Education. Its primary role involves driving and coordinating the implementation of the nationwide SkillsFuture movement. Additionally, it fosters a culture of lifelong learning, prioritizes skill mastery, and strengthens Singapore's system of quality education and training.

#### THE ROLE OF SDF IN SINGAPORE CAN BE SUMMARIZED AS BELOW:

- **Funding Skills Training:** The Skills Development Fund (SDF) provides financial assistance to employers for investing in training and improving the skills of their employees. This support helps companies remain competitive by ensuring their workforce possesses relevant and up-to-date skills.
- **Enhancing Workforce Skills:** The SDF focuses on enhancing the skills of the Singaporean workforce. It supports a wide range of training programs designed to develop technical, vocational, and soft skills that are essential across various industries.
- **Supporting Lifelong Learning:** The SDF encourages individuals to continuously engage in learning and development throughout their careers. Lifelong learning is promoted to adapt to changing job requirements and industry demands.
- **Industry Collaboration:** The SDF frequently collaborates with different industries to identify skill gaps and training needs. This collaboration ensures training programs align with industry requirements and trends.
- **Flexibility in Training:** The SDF allows employers to select training programs that best fit their needs. Companies can seek funding to support customized training programs that address their specific workforce requirements.
- **Enhancing Productivity:** By promoting skill development and upskilling, the SDF contributes to increased productivity and efficiency within organizations. Employees with improved skills can make more effective contributions in their respective roles.
- **Lastly, Quality Assurance:** The SDF ensures that training providers and programs meet specific quality standards. This helps uphold the credibility and effectiveness of the training initiatives supported by the fund."

#### MAURITIUS

Mauritius implemented a significant measure in 1984 to enhance capacity development. This measure involved the introduction of a training levy, which required all private sector companies to contribute 1% of their wage bill to a Training Fund. The purpose of this fund is to reimburse employers who invest in their employees' training and development, covering up to 75% of the incurred costs, based on specific conditions. This initiative proved highly successful and played a key role in creating a diverse pool of skilled individuals for different sectors of the economy, including emerging sectors like financial services and ICT.

The Training Fund is managed by the Human Resource Development Council (HRDC) which was set up by the HRD Act 2003, with the following objectives:

- **Skills Development:** The training fund managed by HRDC aims to improve the skills and competencies of the workforce in Mauritius. It provides financial support for training programs and initiatives designed to enhance the skills and knowledge of individuals across various industries.
- **Addressing Skill Gaps:** The fund focuses on bridging skill gaps and shortages in the labor market. It identifies industries or sectors where specific skills are lacking and supports training programs that meet the needs of those industries.
- **Employer Engagement:** The fund encourages employers to invest in training and developing their employees. It may offer subsidies or grants to companies that undertake training initiatives to improve the skills of their workforce and enhance overall productivity.
- **Lifelong Learning:** Like other initiatives for workforce development, the training fund promotes the idea of continuous skill development throughout one's career to remain relevant in a rapidly changing job market.
- **Quality Assurance:** HRDC ensures that the training programs supported by the fund meet high-quality standards. This includes assessing the content, delivery methods, and outcomes of the training to ensure that participants receive effective and relevant education.
- **Industry Partnerships:** The training fund collaborates with industries, employers, training institutions, and other stakeholders to design and deliver training programs that align with the needs of the labor market. These partnerships ensure that the training is practical and in line with current industry trends. **Monitoring and Evaluation:** The fund monitors the effectiveness and impact of the training programs it supports. This involves tracking the progress of participants, evaluating their acquired skills, and assessing their improved employability.
- **Career Progression:** The training fund contributes to individuals' career advancement by enabling them to acquire new skills and certifications. This can lead to better job prospects, increased career opportunities, and higher earning potential.
- **Supporting Vulnerable Groups:** The training fund also focuses on supporting vulnerable and marginalized groups in accessing training opportunities. This helps reduce economic and social disparities by improving the employability of underserved populations. And finally,
- **Alignment with National Development Goals:** The training fund's initiatives likely align with broader national development goals, such as economic diversification, increasing competitiveness, and reducing unemployment.

## KENYA

In Kenya, employers must pay a training fee to the Commissioner General when an employee's salary is due. The fee is not based on a percentage of

payroll; instead, it is set at 50 shillings per employee. The collected fees are deposited into a Training Levy Fund. Sixty percent of the funds collected are used to reimburse employers for training expenses, while twenty percent is used to support the establishment and operation of technical and vocational education and training institutions throughout the country. The National Industrial Training Authority (NITA) oversees the fund.

## 5.2.2. Setting up of Dedicated Financial Institutions for Capacity Building

### SINGAPORE

In Singapore, the Institute of Banking and Finance (IBF) will celebrate its 49th anniversary in 2023. It was established in 1974 to provide training for the financial industry. Over time, the IBF has transformed into the primary authority for establishing competency standards and providing professional certification for crucial skills within the financial industry. In addition to this role, the IBF has expanded its responsibilities to become the central resource for all matters concerning employment, skills, and career development in the financial industry.

### KENYA

The Kenya Institute of Bankers serves as the main organization for the Banking and Finance sector in Kenya. It consists of 42 banks and Financial Institutions as corporate members, and their employees as individual members. The primary role of the Institute is to maintain the professionalism and integrity of the Banking profession. This is achieved through the certification of professional banking education and training, and providing consultancy, counselling, codes of conduct, and continuing professional development programs. For the past 40 years, the Institute has been committed to supporting the Banking and Finance sector. Their focus is on ensuring that employees in the sector have the necessary skills and knowledge to provide excellent service to bank clients and the public. By doing so, they contribute to the sector's improved performance and profitability.

### MAURITIUS

Due to the increasing importance of the Mauritius International Financial Centre, there is a growing need for well-trained and competent professionals. As a result, the Financial Services Institute (FSI) was established in 2015 to provide specialized training courses tailored to industry needs. The FSI officially launched in July 2018 as a key department of the Economic Development Board. It operates as an independent training institute under the supervision of the Ministry of Financial Services and Good Governance. The FSI's vision is to be "recognized nationally and regionally as a leading center for financial services education and training." Its mission is to develop and provide high-quality training to enhance the skills and capabilities of professionals in the sector. The institute collaborates closely with the business community, industry associations, professional bodies, government agencies, regulators, and higher education providers both locally and internationally to develop effective talent development strategies.

Furthermore, it is worth mentioning that since March 2019, the Financial Services Commission has been working in partnership with the Organisation

for Economic Co-operation and Development (OECD) to host a Regional Centre of Excellence (RCE) for capacity building. The RCE focuses on delivering capacity building programs primarily aimed at financial services regulators from the Southern and Eastern African regions. Additionally, the center conducts research on important topics related to financial services and financial misconduct in the regional market. It also provides advice on the implementation of minimum standards at the regional level.

### 5.2.3. The Impact of Technology on Financial Services and Human Capital Development

#### The Case of Singapore as a Regional Leader

The financial sector in Singapore has changed continuously over the years. It began with the establishment of the Asian Dollar Market in the 1960s and later saw the liberalization of the banking, insurance, and securities industry in the 1990s. More recently, extensive reforms have been made to the regulatory framework and there has been a rise in the use of Fintech.

Singapore acknowledges that the financial services sector is interconnected with all other industries and supports the growth of the economy. What happens within this sector has a significant impact, not only on the economy but also on various sectors and industries within it. Due to the dynamic nature of the financial sector, it requires a large pool of competent, experienced, and talented human resources with both specialized knowledge and the ability to innovate to stay ahead.

In October 2017, Singapore launched its Financial Services Industry Transformation Map (ITM). It is important to note that the financial services sector is a vital contributor to the Singaporean economy, accounting for 13.1% of GDP as of 2020 and providing employment opportunities for around 170,000 individuals. Technological advancements have also brought significant changes. The digital revolution that began several decades ago is now impacting the way we conduct business. In the financial services sector, technology is revolutionizing work processes and how services are delivered and consumed.

With the widespread use of mobile phones and global internet connectivity, financial transactions can now be performed online at any time and from any location. This has had a major impact on the competitive landscape for both the industry and regulators in Singapore. Employees must acquire new skills to remain relevant, while regulators face the challenge of responding to new risks and opportunities. Singapore continues to play a global role in foreign exchange and asset management. In its next phase of transformation, Singapore aims to become a global hub for FX pricing and liquidity within the Asian time zone. Additionally, players are encouraged to base their e-FX matching and pricing engines in Singapore.

Singapore's objective is to consolidate its position as a leading Asian hub for fund management and domiciliation. To support Asia's growth and development, Singapore aims to provide stronger platforms for financing infrastructure development and enterprise growth. The infrastructure needs in Asia are projected to reach around US\$1.7 trillion per year, exceeding what government and bank financing can offer. Singapore plans to collaborate with multilateral development banks to improve the feasibility of Asian infrastructure projects, attract private capital through

debt distribution platforms, and establish investment benchmarks to make infrastructure financing a mainstream asset class.

#### Impact of Technology on Jobs & Skills in the Singapore Financial Sector

Business transformation alone is not enough for development and progress. Frontier and emerging economies also require workforce transformation. Emerging technologies are presenting challenges and opportunities for businesses and workers across all industries. Financial institutions and employees must understand the impact of key technology trends and prepare for evolving job roles. Workers should remain adaptable and embrace lifelong learning to grow professionally and enhance career opportunities.

A study commissioned by the Institute of Banking and Finance Singapore (IBF) and the Monetary Authority of Singapore (MAS) examined how data analytics and automation could transform 121 job roles in Singapore's financial sector in the coming years. Another study by Ernst & Young in 2019 identified the skills necessary for performing new tasks enabled by data analytics and automation. The IBF-MAS study found that approximately half of the analyzed job roles would be enhanced as individuals leverage these technologies to improve their performance. About one-third of job roles would be transformed as technology replaces a significant portion of job tasks and consolidates remaining tasks into new roles. Across all job roles, individuals would be required to take on new or expanded tasks that require judgment and creativity, while repetitive and rule-based tasks are automated. The study also identified emerging job roles that would experience increased demand with the implementation of data analytics and automation in the sector.

This study is one of the most comprehensive of its kind globally, mapping out 121 job roles across the banking, capital markets, asset management, and insurance sectors to demonstrate most jobs in the financial services industry. It serves as a guide for financial institutions and individuals to prepare for the future of work as data analytics and automation become increasingly prevalent in the financial sector. The financial sector in Singapore has undergone significant transformation in recent years, with data analytics and automation playing a major role in changing and creating job roles. Data analytics has enabled financial institutions to better understand their customers, improve products and services, and make informed decisions. Automation has streamlined processes, reduced costs, and improved efficiency. These technologies have led to the creation of new job roles, such as data analysts, data scientists, and automation engineers, which require different skills than traditional finance roles, including programming and data analysis.

However, the adoption of these technologies has also resulted in the automation of certain traditional finance roles. Overall, the adoption of data analytics and automation has had a significant impact on the financial sector in Singapore, transforming job roles and creating new opportunities.

To add to the business strategies and innovation agenda, Singapore has implemented an active SkillsFuture Programme to help the financial sector workforce build world-class skills and maintain a strong Singapore Core. With digitalisation and automation, job roles are evolving, and existing professionals must be equipped with new skills and competencies.

- The Regulatory authority, MAS has a strong collaboration with financial institutions, tripartite partners, and institutes of higher learning to:
- Build a strong local pipeline of specialised talent particularly in information technology.
- Reskill and redeploy professionals into job growth areas through professional conversion programmes.
- Facilitate job placements through enhanced career advisory services.

**THE CASE OF MAURITIUS**

The FinTech industry in Africa is growing and is predicted to continue growing rapidly over the next decade. Recognizing the challenges that businesses, young entrepreneurs, and start-ups may encounter when trying to become part of this positive trend, the Mauritius FinTech Hub has been established with the support of the Economic Development Board of Mauritius. MAFH is a non-profit organization with the goal of positioning Mauritius as one of the world’s leading FinTech hubs, with a specific focus on driving growth in Africa. The main objective of MAFH is to facilitate collaboration and innovation on a pan-African and international scale. Located in Mauritius, MAFH serves as a gateway for businesses looking to enter and exit Africa. At MAFH, they can:

- Benefit from established pan-African, Mauritian, and international connections with governments, corporates, FSPs, investors, FinTech businesses and tech experts
- Collaborate and share resources with other businesses in an organized ecosystem set-up.
- Meet investors and brand new FinTech talent.
- Attend roundtable events with regulatory bodies.
- Get hands- on support directly from MAFH’s experts, members, and partners.
- Benefit from investor agreements in place that can act as buffers for businesses looking to enter new African markets.

MAFH is open to the following groups and stakeholders who are interested in integrating the FinTech space: entrepreneurs, SMEs, corporations, governments, tech experts, financiers, financial service providers, universities, and research institutions.

Further, the figure below shows the massive opportunity that FinTech represents for Africa.

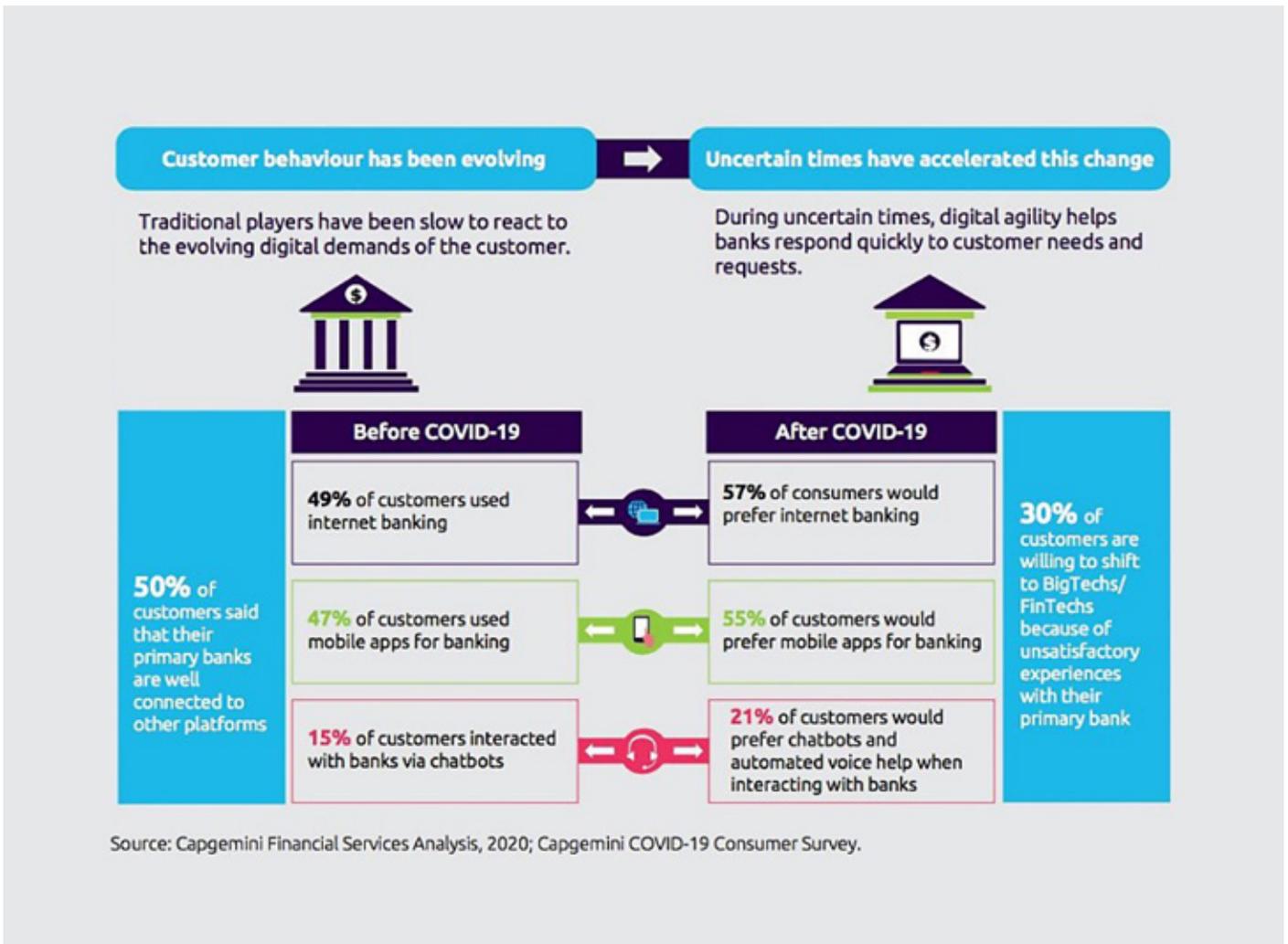
*Figure 27: FinTech as an Opportunity*



Furthermore, changes in the financial and banking sectors are also driven by the increasing turbulence in the world economy driven by volatile socio-

economic and geopolitical conditions/events. However, not only global financial crises, wars, or economic downturns, but sometimes even natural phenomena can influence how people behave in the business world. Especially emerging countries need to plan for these unexpected occurrences. The figures below are just two examples of this.

Figure 28: Pre and Post COVID Impact



According to a PWC Report in 2020, the financial services outlook can be predicted as follows:

Figure 29: Short- and Long-Term Outlook for the Financial Sector

Financial service		Short-term outlook		Long-term outlook	
Banks	Retail	Negative	Small & middle enterprise defaults and less customer activity, lower asset values	Mixed	Top-line losses in line with GDP and consumption; shifts in channel usage; flattening of mortgage prices
	Commercial	Mixed	Increased loan loss provisions (LLPs); heightened demand for credit at increased risk	Negative	Increased migration/credit risk-driving loan loss provisions and risk-weighted assets (RWA) requirements; lower GDP levels
	Investment	Neutral	Increased volatility driving heightened trading revenues, while M&A down	Positive	Advisory revenues driven by increased refinancing needs; risk-driving shifts in trading can occur
Payments		Neutral	Increased contactless/mobile payments offset by declines in payment flows in certain industries	Positive	Increase in contactless/mobile payments to continue; potential for significant bank intermediation
Insurance	Life	Negative	Declining asset values and guarantee gap, but increased (term) insurance demand in uncertain times	Mixed	Asset and liability management (ALM) risks, while yield curves flatten; low-interest environment challenging
	Health	Negative	Loss of coverage through increasing unemployment; potential direct cost effects through COVID-19	Negative	Regulatory pressure to cover increasing risks; protection gap means potential for increased demand
	Property and casualty	Positive	Lockdowns and reduced activities significantly lower claims; limited exposure to pandemic events	Mixed	Recession, a slow recovery and remote working reduce premiums; probably government pandemic backstop
Exchanges / clearing		Positive	Increased volatility inducing heightened market activity and trading revenues	Neutral	Effects in line with macroeconomic variables
Asset and wealth managers	Wealth management	Neutral	Loss of income due to fee pressures; more market risk required for similar returns; low interest rate environment	Positive	Increased advisory requirements; growth in self-directed investing; shifts to passive but also to equity and alternative investments (higher margin)
	Traditional asset managers	Mixed	Loss of fee income due to fee pressures; success of passive; and challenges to differentiate in a crowded active space	Mixed	Shift to passive; prolonged fee and cost pressures; need for scale and consolidation; ESG, passive and alternatives growth
	Alternatives	Positive	Low interest rate environment; search for yield and desire to diversify portfolios	Positive	Growth of alternative financing opportunities; prolonged low interest rate environment
Real estate	Office	Neutral	Office occupiers still considering future needs; also influenced by social distancing	Mixed	Consistent view there will be a higher percentage of remote workers; oversupply of office stock
	Logistics	Positive	Additional online sales and pandemic-related storage	Positive	Reorder of supply chain and structural change to e-commerce
	Retail	Negative	With the exception of food retail, reduced traffic due to COVID-19 measures	Negative	Structural change to e-commerce
	Residential	Neutral	Tradeoff of structural undersupply vs recessionary impact on value	Positive	Structural undersupply

Source: PwC, 2020

A KPMG report in 2023 provides a set of predictions in the financial sector in the coming years, shown as follows in several sub-figures:

Exhibit 8: KPMG Report ESG, 2023

The five areas are:

- **ESG:** the great behavioural driver of system change
- **The power shift:** democratised data moves power around the financial system
- **A changed landscape:** business models proliferate and adapt
- **The data economy:** data changes the economics of financial services
- **Talent opportunity:** talent becomes open too, with ecosystem-based experience a competitive differentiator



**ESG: the great behavioural driver of system change**

- 1 **Must try harder** — the world is lagging on net zero, though financial services capital is powering the transition to sustainability.
- 2 **Every decision is an ESG decision** — ESG criteria are embedded in lending and investment; impact potential drives capital allocation.
- 3 **S and G, not just E** — the backlash on social issues is over; customers want justice and equality.
- 4 **Alternatives aren't alternative** — investors have doubled their exposure to asset classes such as renewables.
- 5 **Crisis is global** — Working together, particularly on tax policy, governments are finally moving forward.



**The power shift: democratised data moves power around the financial system**

- 1 **Know your customer** — digital identities enable customers to transact with trust, and ensure every brand can personalise their offer.
- 2 **BigTech takes charge** — the biggest brands in banking are those with consumer curb appeal.
- 3 **Mobile mobilises** — access to inclusive banking services is delivered through data collection and analysis that targets the needs of all.
- 4 **Asia still rising** — China's ascent has accelerated thanks to the dominance of its data-driven technology sector.
- 5 **Sovereigns fight back** — central banks and policy makers have responded to the threat posed by private digital currencies.



**A changed landscape: business models proliferate and adapt**

- 1 **Metaverses in the multi-channel mix** — new spaces provide a richer and more immersive customer experience.
- 2 **Regulators flex their muscles** — regulators remain anxious to support innovation, but have proved their mettle with high-profile interventions.
- 3 **The disappearing bank** — banking is invisible, embedded in the underlying interaction, from grocery shopping to procurement.
- 4 **API first** — concepts such as banking-as-a-service and tools such as developer portals deliver distribution advantages at scale.
- 5 **Crime pays** — professional attackers from multiple constituencies are collaborating to share expertise, just like those they target.



**The data economy: data changes the economics of financial services**

- 1 **Bespoke insurance** — every insurance policy is personalised and real-time, adjusted to the evolving risk profile of the policyholder.
- 2 **Fair exchange** — the data privacy challenge has eased in an era of data exchange for mutual benefit.
- 3 **Powered by the data exhaust** — AI turns data from e-commerce, social media, and e-gaming into alternative credit and risk models.
- 4 **Bye-bye barriers to entry** — new entrants face dramatically lower infrastructure costs to access the banking ecosystem.
- 5 **Platforms take control** — platforms continue to cherry-pick the banks they want to work with; the rest become low-cost utility players.



**Talent opportunity: talent becomes open too, with ecosystem-based experience a competitive differentiator**

- 1 **Collaboration, not competition** — partnerships leverage the skills and competencies of multiple players.
- 2 **Diversity delivers** — a broader talent pool offers wider competencies, including emotional intelligence as well as technical expertise.
- 3 **Purpose is power** — businesses compete for talent through engagement, shared values and investment in people.
- 4 **Hybrid is the norm** — office spaces are designed around the need for engagement and socialisation, rather than individual work.
- 5 **Leaders with no preconceptions** — even legacy businesses are recruiting senior leaders from beyond the financial services sector.

**01**

**Identify the business models you will target.**

There is no single model for success, but in a marketplace where ecosystems and platforms are set to proliferate, now is the moment to define which routes to market your business will pursue. What strengths does your business currently possess — or can quickly be acquired — and what is the best way to leverage these? What technical hurdles stand in the way of your preferred business models? Don't be afraid to experiment: an iterative approach to transformation will likely produce better results than a big-bang transformation.

**02**

**Plan with purpose.**

As stakeholder expectations evolve, your organisation will likely have no choice but to embrace ESG. Every stakeholder group will likely demand it — and regulators and policy makers may increasingly mandate it. However, don't think too narrowly by defining your ESG goals in the language of the minimum standards required for environmental, social and governance compliance. Rather, put mission and purpose at the centre of your business in order to win the hearts and minds of customers, employers and other key stakeholders.

**03**

**Develop your data strategy.**

The ability to collect, store, manage and parse data — and to do so with trust and consent — may be integral to so much of your business's success in the years ahead. How will you build data competencies that match the scale of your ambition? Which partners should you work with in order to build out these competencies and leverage the power of the ecosystem? Time is running out to close the gaps in areas where you are currently falling short. Focus on how data can bring you ever closer to the customer — and then keep you close as their views and needs change over time.

**04**

**Target talent.**

The battle for the best people will only become more intense. Think hard about who you now need to recruit — shape your workforce so it has the right skillsets at the right time — and how you can attract them to your business. Cast the net more widely than ever before by defining roles in terms of the human skills they require, rather than specific technical competencies or experience; this will also help you recruit more diversely. Develop an employee value proposition that gives your organisation the best chance of retaining staff.

**05**

**Set your innovators free.**

With so much uncertainty about what lies ahead, give your business room to try different things. Create a dedicated innovation hub within your business and give it the resources it needs to seed new thinking across the organisation. Don't be deterred by failures; these provide the learnings that can help ultimately deliver success.

Source: KPMG, 2023

### 5.3. Financial Sector Skills Development Over Time in Singapore, Mauritius, and Kenya

#### 5.3.1. Case of Singapore

Skills development in the financial sector in Singapore has been a strategic and well-planned process that has spanned several decades. The transformation of Singapore into a global financial hub can be attributed to various factors, including government policies, infrastructure development, education, and a proactive approach to attracting international businesses. The following provides an overview of how financial sector skills have progressed over the years in Singapore:

- **Early Stages (1960s-1970s):** Singapore initially focused on basic banking services and trade finance as it embarked on its journey as a financial center. In 1971, the Monetary Authority of Singapore (MAS) was established to oversee monetary policy, regulate financial institutions, and develop the financial sector.
- **Banking and Finance Education (1980s):** Recognizing the importance of skilled professionals in the financial sector, the government established institutions such as Nanyang Technological University (NTU) and National University of Singapore (NUS), offering academic programs in finance, economics, and related fields.
- **Legal and Regulatory Framework (1980s-1990s):** Singapore worked on improving its legal and regulatory framework to create an appealing environment for financial institutions. Establishing a strong legal system and regulatory framework helped build trust and attract foreign investments.
- **Financial Services Diversification (1990s-2000s):** During this period, Singapore expanded the range of its financial services beyond traditional banking to include areas such as asset management, insurance, and capital markets. This diversification led to the growth of specialized skills in areas such as risk management, investment analysis, and compliance.
- **Skills Training and Professional Development (2000s-2010s):** The Singapore government focused on developing a skilled local workforce through training and education. Institutions like the Institute of Banking and Finance (IBF) and the Singapore College of Insurance (SCI) were established to provide training and certification programs specific to the financial industry.
- **FinTech and Innovation (2010s-Present):** Singapore actively embraced financial technology (FinTech) and innovation. Initiatives such as the establishment of FinTech regulatory sandboxes and the launch of the Monetary Authority of Singapore's FinTech Innovation Lab attracted startups and facilitated the development of skills in areas like blockchain, artificial intelligence, and digital payments.
- **Talent Attraction and Globalization (2010s-Present):** Singapore has been successful in attracting global financial institutions and multinational corporations to establish their regional headquarters in the city-state. This has resulted in a diverse pool of talent with international expertise and skills.
- **Continuous Learning and Adaptation (Ongoing):** The financial sector is constantly evolving with new technologies and trends. Singapore prioritizes continuous learning and upskilling to ensure that its financial professionals remain at the forefront of industry developments.

Over the course of many decades, the Singaporean government has played a crucial role in providing a stable economic and political environment, establishing necessary infrastructure, and creating supportive policies. Additionally, collaborations between the public and private sectors have contributed to fostering a thriving financial system and developing a highly skilled workforce.

It is important to note that this overview presents a general timeline of progress, and the process of developing financial sector skills in Singapore has been a complex and ongoing effort that involves various stakeholders and strategies. As is well-known, Singapore is recognized as one of the world's leading financial centers, boasting a diverse and highly skilled workforce. This accomplishment has been the result of hard work and strict planning with a clear vision. Several factors contribute to Singapore's financial skills development. These include the Skills Framework for Financial Services, which establishes a common language for individuals, employers, and training providers to identify and address skill gaps and support skill enhancement.

The Financial Sector Development Fund is also significant, as it provides grants to encourage talent development, technology and innovation, and financial sector activities. Moreover, the Financial Services Industry Transformation Plan outlines strategies to improve productivity, generate employment opportunities, and capitalize on growth prospects. Singapore's focus on developing financial skills has facilitated impressive levels of economic growth, including high GDP per capita and GDP growth rates, and advancements in innovation and competitiveness. It has also promoted social mobility and inclusion within the wider society.

#### 5.3.2. Case of Mauritius

Mauritius, like Singapore, has also made efforts to develop its skills in the financial sector over time. The process of transforming Mauritius into an international financial center has involved strategic planning, regulatory enhancements, education, and initiatives to attract global businesses. Below is an overview of how financial sector skills have progressed in Mauritius over the years:

**Early Stages (1980s-1990s):** Mauritius initially focused on establishing a strong banking and financial services sector to support its growing economy. In 2001, the Financial Services Commission (FSC) was established to regulate non-banking financial services, providing a regulatory framework to attract foreign investors.

- **Legal and Regulatory Framework (2000s):** Mauritius improved its legal and regulatory framework to align with international standards. The establishment of financial laws and regulations, including those pertaining to offshore companies and trusts, helped create a transparent and reliable financial environment.
- **Diversification and Specialization (2000s to 2010s):** The country expanded its range of financial services beyond banking, including fund management, global business companies, insurance, and wealth management. This diversification created a demand for specialized skills in areas such as fund administration, risk management, and compliance.
- **Education and Professional Development (2000s-present):** Mauritius

focused on developing a skilled workforce for its financial sector. Tertiary institutions, like the University of Mauritius, introduced finance-related programs to meet the growing demand for professionals in the industry. Additionally, organizations such as the Mauritius Institute of Training and Development (MITD) offer training programs to enhance skills.

- Global Business and Investment Hub (2010s-present): Mauritius aimed to position itself as a gateway for investment into Africa and Asia due to its unique geographic location. The establishment of the International Financial Services Centre (IFSC) and various tax treaties with other countries further enhanced its attractiveness to global investors.
- FinTech and Innovation (2010s-present): Like other financial centers, Mauritius recognized the importance of FinTech and digital innovation. Initiatives such as the regulatory sandbox framework were introduced to encourage experimentation with new financial technologies.
- Sustainability & Green Finance (2020s-present): Mauritius has also shown interest in promoting sustainable finance and green initiatives. The country aims to position itself as a hub for green and sustainable finance, creating opportunities for professionals with expertise in these areas.
- Talent Attraction and Development (ongoing process): Mauritius has made efforts to attract international financial institutions and establish itself as a center for high-quality financial services. This has led to a focus on continuous learning and professional development to meet the evolving demands of the industry.
- Collaboration with International Partners (ongoing process): Mauritius has engaged in partnerships with international organizations and regulatory bodies to enhance its financial ecosystem and align with global best practices.

It is important to mention that Mauritius is currently developing as a financial center, and the country is continuously adapting to changing global trends and market demands. The government's commitment to creating an attractive environment for financial services, along with efforts to improve education and skills development, has contributed to the growth and advancement of the financial sector in Mauritius. The financial sector skills in Mauritius have improved over time due to various factors, including:

- The diversification of the economy from relying solely on sugar and textiles to also include tourism, financial services, and information and communication technology. Additionally, the regulation and capitalization of the banking and financial system protected it from toxic assets before the 2008 global financial crisis.
- Pension system reform and fiscal consolidation, which will help to maintain debt sustainability in the medium and long term. Furthermore, integration with regional and global markets has led to increased trade, investment, and competitiveness.
- The development of financial sector skills in Mauritius has enabled the country to achieve high levels of economic growth, social development, and political stability.

### 5.3.3. Case of Kenya

- Financial sector skills in Kenya have developed over time due to various factors. These factors include: The implementation of political and economic reforms that have contributed to a stable political environment, sustained economic growth, and social development in the past decade.
- The expansion and innovation of the financial sector, which is now the third largest in Sub-Saharan Africa, following South Africa and Nigeria.
- The adoption and widespread use of mobile money services, such as M-Pesa, which have improved financial inclusion and access for millions of Kenyans.
- Investments and collaborations in skills development, with a specific focus on empowering the youth and women. This can help alleviate unemployment, increase productivity, and ultimately improve living standards.
- Kenya's development of financial sector skills has enabled the country to achieve significant economic transformation, social progress, and regional integration.

The development of skills in Kenya's financial sector has been a dynamic process that has changed in response to various economic, technological, and regulatory changes. Below is a more detailed overview of how skills in the financial sector have developed over time in Kenya:

- Early Stages and Regulation (1960s-1980s): Kenya's financial sector began with basic banking services and was regulated by the Central Bank of Kenya (CBK), which was established in 1966. During this period, the focus was on creating a stable banking system to support the economy.
- Financial Liberalization and Diversification (1990s): The 1990s saw significant economic and financial reforms in Kenya. The government adopted liberalization policies, which allowed new financial institutions, such as banks and insurance companies, to enter the market. This diversification created a need for a wider range of skills in the financial sector, from banking operations to risk management.
- Technology and Mobile Money Revolution (2000s-Present): One of the most transformative periods in Kenya's financial sector development was the rise of mobile money services, particularly M-Pesa. M-Pesa, launched in 2007, revolutionized financial transactions, especially among the unbanked population. This development created a demand for skills related to mobile technology, digital payments, and financial inclusion.
- Financial Education and Training (2000s-Present): As the financial sector grew, the importance of skilled professionals became evident. Universities and institutions began offering finance-related courses to meet the increasing demand. The Kenya Institute of Bankers (KIB) played a significant role in providing training and professional development for banking professionals.
- Regulatory Enhancements (2000s-Present): Regulatory reforms aimed at improving transparency, risk management, and consumer protection were introduced. This led to a demand for skilled professionals in areas such as compliance, risk assessment, and auditing.

- **Fintech and Digital Innovation (2010s-Present):** Kenya adopted fintech innovations, which resulted in the growth of digital lending platforms, payment solutions, and other financial technology services. This created opportunities for professionals with skills in data analytics, cybersecurity, and blockchain technology.
- **Capital Markets and Investment (2010s-Present):** The Nairobi Securities Exchange (NSE) gained importance, and the demand for professionals with expertise in investment analysis, asset management, and trading increased.
- **Sustainable Finance and Green Economy (2020s-Present):** Kenya's focus on sustainable finance and environmentally responsible investments led to the emergence of skills related to green finance and sustainability assessment, specifically the issue of environmental, social, and governance (ESG) considerations.
- **Government Initiatives and Financial Inclusion (ongoing process):** The Kenyan government continued to promote financial inclusion and literacy through various initiatives. This created a demand for skills related to digital financial services, mobile banking, and customer education.
- **Continuous Learning and Adaptation (ongoing process):** The financial sector in Kenya remains dynamic due to technological advancements and global trends. Continuous learning and adaptability are crucial for professionals to stay current in the evolving landscape.

Overall, the development of skills in Kenya's financial sector has been marked by transformative shifts, from regulatory reforms to technological innovations. The country's commitment to expanding access to financial services, embracing technology, and enhancing financial literacy has played a pivotal role in shaping the skills landscape of the financial sector.

### 5.3.4. Takeaways: Lessons for Rwanda from Experiences of Singapore, Mauritius, and Kenya

The financial sector skills development in Singapore, Kenya, and Mauritius can provide valuable lessons and insights for Rwanda's own economic and financial development. Although each country has its own unique context and characteristics, there are several key aspects that Rwanda can learn from:

- **Regulatory Framework and Governance:** Rwanda can benefit from examining how Singapore, Kenya, and Mauritius have established strong regulatory frameworks and effective governance structures to ensure transparency, stability, and investor confidence in the financial sector.
- **Education and Professional Development:** Singapore's investment in education, professional development institutions, and partnerships between academia and the financial industry can serve as a model for Rwanda to enhance its financial sector skills through specialized training programs and collaborations with universities.
- **Diversification and Specialization:** Mauritius' success in diversifying its financial services beyond traditional banking, including asset management, insurance, and wealth management, can provide Rwanda with ideas for increasing its own financial offerings and attracting foreign investment.
- **Innovation and FinTech:** Singapore's proactive approach to embracing financial technology (FinTech) and innovation can serve as a lesson for Rwanda to encourage the development of FinTech startups, digital payment solutions, and other technological advancements in the financial sector.
- **Sustainable Finance and Green Initiatives:** Rwanda can consider Mauritius' focus on sustainable finance and green economy initiatives as it seeks to promote environmentally responsible investments and align its financial sector with global sustainability goals.
- **Talent Development and Collaboration:** All three countries emphasize collaboration between the government, educational institutions, and the private sector to nurture talent and develop specialized skills. Rwanda can benefit from similar partnerships to build a skilled workforce tailored to the needs of the financial sector.
- **Adaptation to Global Trends:** Rwanda can learn from these countries' ability to adapt to evolving global trends and technological developments, ensuring that its financial sector remains relevant and competitive on an international scale.
- **Regional and International Integration:** Rwanda has the potential to investigate how these countries have positioned themselves as regional or global financial hubs, leveraging strategic partnerships and international networks to attract investment and enhance economic growth.

It is important for Rwanda to consider its own unique context, challenges, and opportunities when adapting lessons from these countries. Learning from the successes and experiences of Singapore, Kenya, and Mauritius can help Rwanda build a strong foundation for the growth and development of its financial sector, ultimately contributing to the country's broader economic progress.

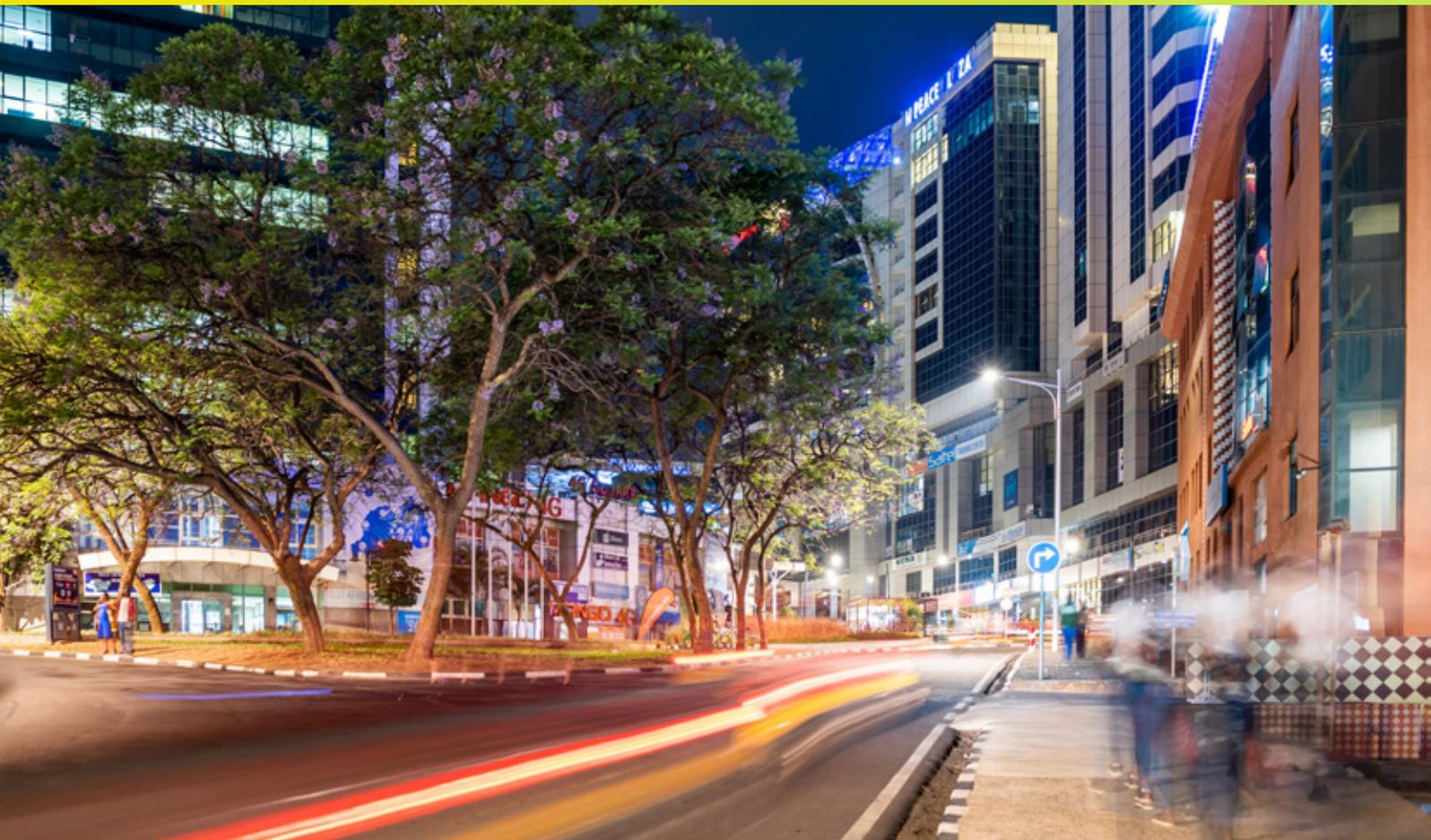
Furthermore, the financial sector skills development in Rwanda can benefit from the experiences of Singapore, Kenya, and Mauritius in various ways. For instance:

- By learning from Singapore's skills framework for financial services, Rwanda can establish a common skills language and a clear career progression pathway for individuals, employers, and training providers.
- To enhance skills development, particularly among the youth and women, Rwanda can invest in partnerships with the private sector, professional bodies, and international donors.
- By reforming the public financial management system and implementing accounting and auditing standards, qualifications, and regulations, Rwanda can improve its overall financial infrastructure.
- Overall, the development of financial sector skills in Rwanda can lead to higher levels of economic growth, social development, and regional integration.

## 5.3.5. Conclusions on Comparator Consideration

NO.	VARIABLE	SINGAPORE	MAURITIUS	KENYA	RWANDA
1.	Landscape: Evolution of IFCs	<ul style="list-style-type: none"> <li>132 banks (22 merchant banks)</li> <li>Human capital index of 0.9</li> <li>Target annual growth of 4-5%</li> <li>Targeted job creation of 3k-4k net jobs</li> <li>Average monthly salary US\$ 6,014 (2022)</li> </ul>	<ul style="list-style-type: none"> <li>20 banks (5 local, 10 foreign owned, 1 private)</li> <li>Human capital index of 0.6</li> <li>MIFC contributes US\$ 897M to GDP</li> <li>MIFC employs 10,473 persons (2021)</li> <li>Average monthly salary is US\$3,324 (2023)</li> </ul>	<ul style="list-style-type: none"> <li>38 Commercial Banks, 1 mortgage finance company, 1 remortgage finance company and 14 MFI Banks</li> <li>Total Bank Assets US\$ 50B (2021)</li> <li>Agency Banking introduced in 2010</li> <li>Finance and Insurance sector employs 74,100</li> <li>Average monthly salary is US\$1,683 (2022)</li> </ul>	<ul style="list-style-type: none"> <li>9 Commercial banks, 3 MFI Banks, 1 Development Bank and 1 Co-operative bank (2023)</li> <li>Human capital index of 0.4</li> <li>Sector's assets relative to GDP is 66.7% (2023)</li> <li>Employs 27K (2022)</li> </ul>
2.	Governance and Institutional Regulatory Framework	<ul style="list-style-type: none"> <li>Unified Regulatory body called Monetary Authority of Singapore (MAS); licenses and regulates bank and non-banking sector</li> </ul>	<ul style="list-style-type: none"> <li>Bank of Mauritius (banks)</li> <li>Financial Services Commission (non-banking sector including insurance, pension, capital markets and stock exchange)</li> </ul>	<ul style="list-style-type: none"> <li>Central Bank of Kenya</li> <li>Insurance Regulatory Authority</li> <li>Capital Markets Authority</li> <li>Retirement Benefits Authority</li> </ul>	<ul style="list-style-type: none"> <li>National Bank of Rwanda</li> <li>Capital Markets Authority</li> </ul>
3.	Approaches to Human Capital Development	<ul style="list-style-type: none"> <li>Skill Development Fund est. in 1979</li> <li>1% training levy in 1979 and revised to 0.25%</li> <li>SkillsFuture Singapore established as a Statutory Board in Min. of Education to foster the culture of learning</li> <li>Institute of Banking and Finance provides training in Finance Industry, providing competency skills required</li> </ul>	<ul style="list-style-type: none"> <li>1984 introduced a training levy at 1% of wage bill</li> <li>The fund was to reimburse employers up to 75% of training costs</li> <li>Training Fund is managed by HRDev't Council set up in 2003</li> </ul>	<ul style="list-style-type: none"> <li>Training fee of US\$ 0.5 per employee per month and deposited into Training Levy Fund</li> <li>60% of funds collected reimburse employers for training expenses</li> <li>20% of funds collected is used for operation of technical and vocation education</li> <li>National Industrial Training Authority oversees the fund</li> </ul>	<ul style="list-style-type: none"> <li>Mainly done individually or by employer</li> <li>NBR has set certain minimum certification matrices for key positions in the Financial Sector</li> </ul>

It is important to note that becoming an international financial center is a long-term endeavour that requires consistent effort, adaptability, and a commitment to maintaining the necessary conditions for growth, stability, and development.



# Financial Sector Challenges

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## 6. FINANCIAL SECTOR CHALLENGES

### 6.1. Supply - Side Constraints

#### Supply – Side: Talent Development and Retention<sup>11</sup>

Job levels in Rwanda's financial sector do not match those in regional/international markets, and titles do not accurately reflect skill levels – the sector's small size and limited complexity make it less appealing for professionals to migrate and fill challenging positions.

Lack of market data on salaries and benefits structures-There's high reluctance from companies to participate in salary reviews/surveys due to concerns about data confidentiality and that divulging such information could potentially expose them to the risk of staff poaching by competitors

Discrepancies in salary and benefits across different institutions - There are huge variances in the salary and benefits across different institutions. It is notable that similar companies operating within the same sectors, with identical job positions, equivalent experience levels, and similar hierarchical roles, exhibit significant variances in their remuneration and benefits structures. These may be due to different salary bands in the companies, and individual negotiation skills

Limited talent pool - Organizations engage in fierce competition for the limited pool of qualified professionals, endowing potential employees with increased bargaining leverage due to their rarity. To secure high-caliber talent, financial institutions are frequently obliged to present more lucrative remuneration packages, heightening the competitive environment and elevating compensation expectations, which may strain the sector's labor cost framework. In some instances, this may necessitate the recruitment of experienced foreign professionals. In this year alone we have had 3 different organizations in the financial sector giving a counteroffer based on a candidate we had selected for a single position

Retention issue - In highly competitive industries like finance, attracting and retaining top talent is crucial for an organization's success. If compensation packages are not competitive or do not keep pace with industry standards, employees may be more inclined to seek better-paying opportunities elsewhere which can also lead to brain drain. With these issues, it affects the duration of recruitment for specialized and high key level roles and clearly limited prediction

### 6.2. Demand – Side: Rise in Data and Technology

There is a significant shift in how services are being delivered today due to advancements in technology, resulting in a change in the demand for skilled workers.

Technology, like AI and fintech, is being used to distribute business and traditional banking services.

Technology is increasingly becoming the main tool used for decision making, leading to a decrease in the need for credit officers and financial analysts, resulting in more job cuts in the financial sector. However, there is an increased demand for coders and other tech-related skills.

There is a growing demand for sales and advertising to promote new technology-based financial products and services, with traditional banks now trying to emulate these services, leading to an increased demand for sales, advertising, and customer behavioral analysis skills.

New players, such as mobile network operators, fintech companies, and nontraditional banking institutions, continue to enter the financial sector- creating stiff competition with traditional banks for customers and customized products. This has resulted in increased poaching of employees between mobile network operators and banks.

The level and depth of financial intermediation in Rwanda are still low- resulting in limited demand for advanced technical skills needed to offer various products and services in line with higher levels of financial intermediation. As a result, there is a lack of skills to develop these products or a migration of skilled workers to more developed financial markets due to insufficient demand from employers. It is projected that this market trend will not change rapidly in the next five years, according to insights from key informants.

The cost of acquiring and developing skilled labor is high for employers- This reduces their inclination to develop new financial tools that require advanced skill sets. The high cost of upskilling acts as a barrier to innovation and growth in the sector.

The cost of employment in Rwanda is higher than in comparable markets in the region- This poses a cost efficiency challenge for employers, as they need to balance the benefits of full-time employment with fixed costs against the advantages of short-term consultancy services, which are often preferred.

### 6.3. Regulatory Constraints

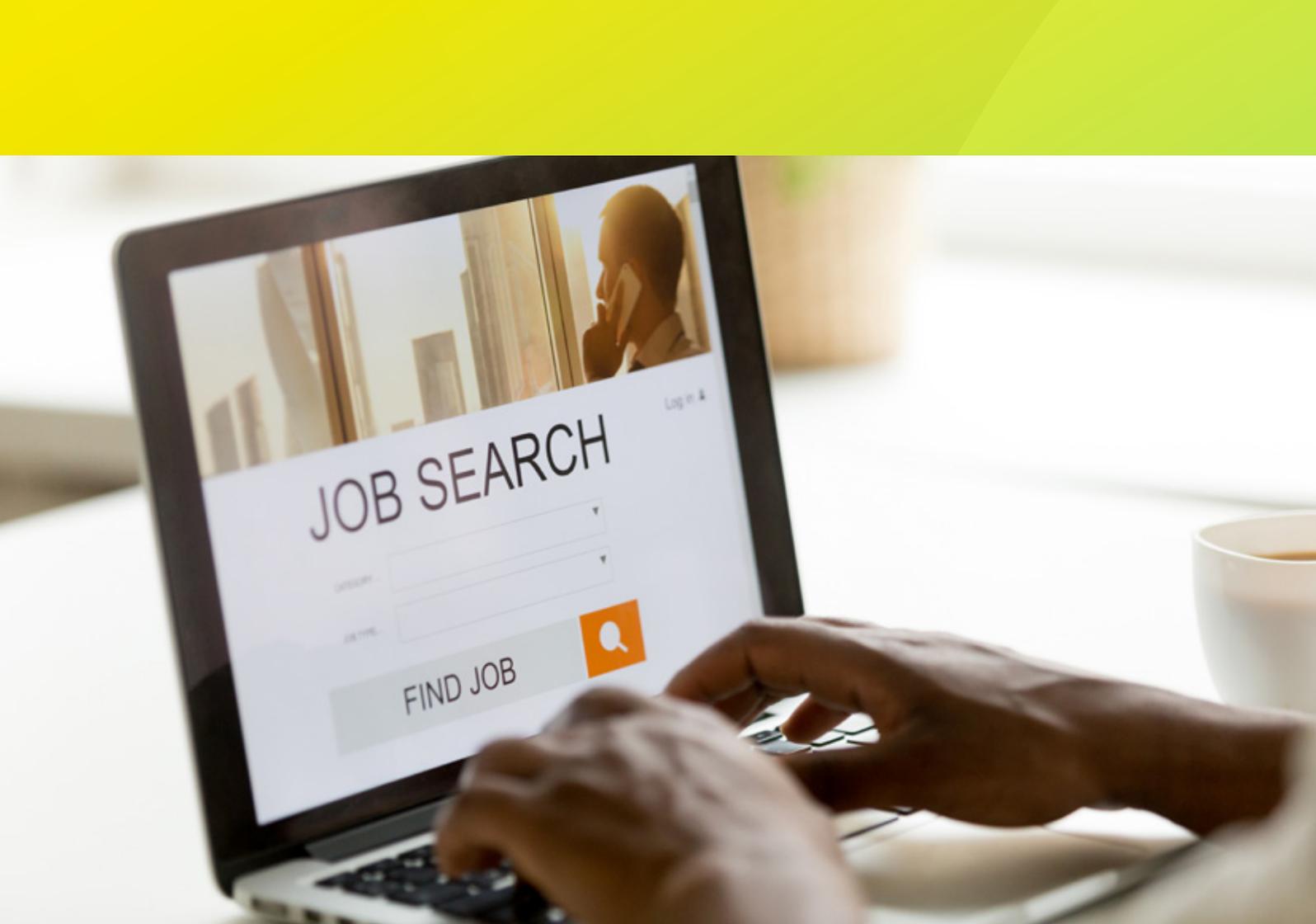
The Occupation Demand List (ODL) should be strengthened to discourage the exploitation of loopholes to hire international talent, even if there is local talent available. However, this requires an innovative interpretation of the occupational demand list that allows external talent but with specific timeframes to develop local talent, as seen in the example of Botswana.

<sup>11</sup> Source: Q-Sourcing, 2023)

The National Bank of Rwanda has been working with financial institutions since 2019 to establish minimum certification/qualification level requirements for certain positions in banks. However, these requirements should be applied consistently across the entire financial sector, not just in commercial banks, to avoid excessive associated costs.

Regulators can emphasize the need for the skills survey to ascertain real gaps and also incentivize or regulate data collection on skills indicators to foster skills development and manpower planning.

Regulators must approve all new products on the market, but this cautious approach often hinders innovation in the introduction of new products or services. Implications and Projections on Jobs in the Financial Services Sector up to 2027.



# Employment growth and Projections for the Financial Services Sector (2024-2027).

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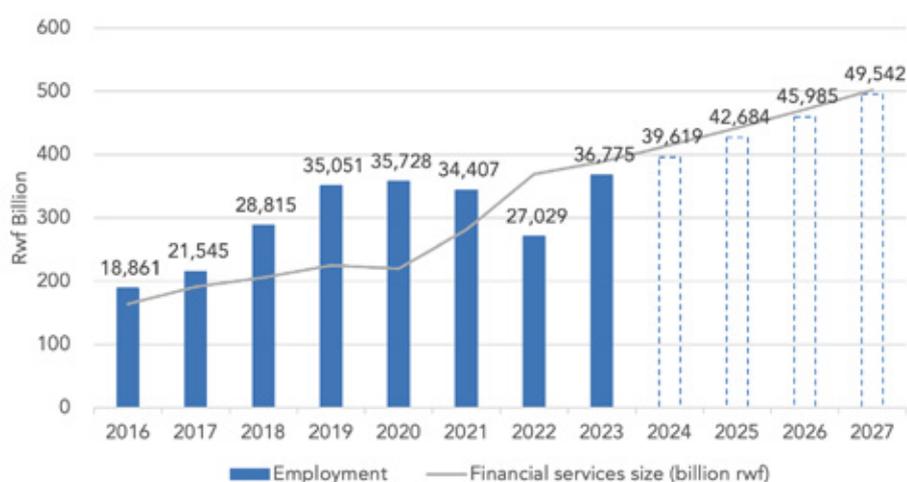
## 7. EMPLOYMENT GROWTH AND PROJECTIONS FOR THE FINANCIAL SERVICES SECTOR (2024-2027).

Using growth projections for financial services output and employment data it is possible to project demand for employment into the future for both domestic finance and international finance in Rwanda.

### 7.1. Domestic Financial Sector Output Growth and Employment Growth Trend and Projection

Rwanda's Domestic Financial Sector is projected to grow from 36,775 employees today to almost 50,000 by 2027.

Figure 30: Projections in the International Financial Sector, Rwanda



Source: NISR, National Accounts, 2023 and NISR, Labour Force Survey, 2023

Source: IMF, <https://www.imf.org/en/News/Articles/2023/05/24/pr23176-rwanda-imf-exec-board-completes-1st-rev-policy-coord-inst-rsf>

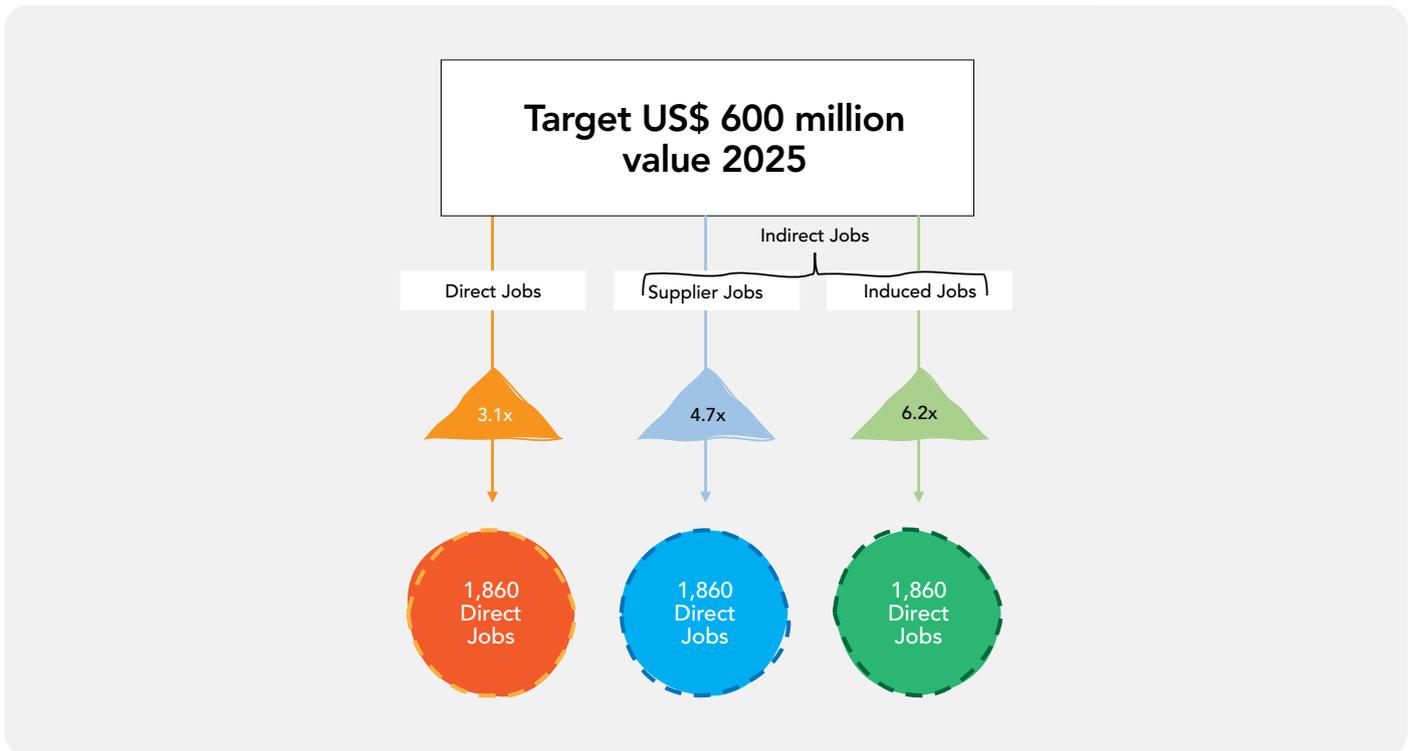
### 7.2. International Finance Employment Projection

Investments in Rwanda's financial sector are also set to increase with a targeted \$600 million in assets in the next three years, following the establishment and promotion of the Kigali International Financial Centre (KIFC Annual Report, 2022.). Using this figure, it is possible to use internationally benchmarked job multipliers<sup>12</sup> to estimate the number of new jobs to be created.

It is expected that the international banking and financial services sector in Rwanda will create approximately 1,860 new direct jobs as a result.

12 Economic Policy Institute (2019) <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy>

Figure 31: Projections in the International Financial Sector, Rwanda



\*Source: KIFC Annual Report 2022

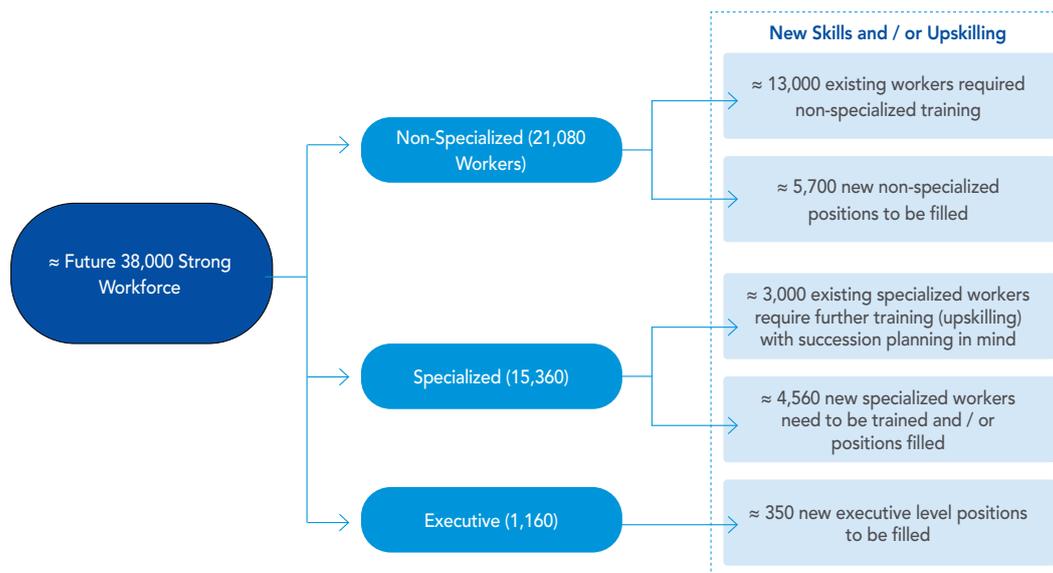
This investment is expected to have a significant impact in key areas such as FinTech, International Finance and Banking, ESG Requirements, and Mergers and Acquisitions.

Through a comparative analysis of Singapore, Mauritius, and Kenya, the following key roles have been identified among the direct jobs to handle the increased foreign direct investments (FDIs):

- Financial analysts; professionals responsible for researching and analyzing various financial markets, companies, and investment opportunities.
- Asset/portfolio managers; individuals in charge of managing and allocating investments to different asset classes on behalf of clients or organizations.
- Risk managers; experts skilled in identifying, assessing, and mitigating potential risks in financial operations and investments.
- Investment bankers: professionals who assist companies in raising capital through initial public offerings (IPOs), mergers and acquisitions (M&A), and other funding mechanisms.
- Bankers and financial advisors to work in banks or financial institutions, providing advice and assistance to clients on banking products, investment options, loans, and financial planning.
- Compliance officers: professionals who ensure adherence to regulatory and legal requirements within the financial sector, such as anti-money laundering (AML) regulations.
- Financial technology (fintech) specialists; individuals with expertise in developing and implementing innovative financial technologies, including mobile banking, e-commerce platforms, and digital payment solutions.

Other positions in the financial industry may include accounting professionals, economists, actuaries, and professionals specialized in insurance and risk assessment. The demand for professionals will adapt to the needs of Rwanda's financial industry.

Figure 32: Total Sector Skills Demand to 2027 (Direct Jobs only) is expected to reach 38,000; Specialized and Non-specialized Jobs.



In the next five years close to 20,000 non-specialized positions need further training / filling, almost 8,000 specialist positions need further training / filling, and 350 new executive level roles need to be filled.

In the next three years close to 20,000 non-specialized positions need further training / filling, almost 8,000 specialist positions need further training / filling, and 350 new executive level roles need to be filled.

Note:

The distribution of roles in the financial sector is often determined by factors such as the level of expertise required, the hierarchical structure of the organization, and the demand for skill sets. Typically, executive roles are at the top of the organizational hierarchy and involve strategic decision-making and leadership responsibilities. Specialized roles, on the other hand, typically require specific expertise in areas such as risk management, investment banking, or financial analysis.

Rwanda aims to attract international investments and develop its financial markets; the percentage of executive roles might be higher to cater to the strategic management needs. Similarly, the number of specialized roles might be significant to ensure the availability of expertise in various financial sectors.

To excel in these specialized roles, individuals will need to possess the necessary skills and credentials. For example, a master's degree in FinTech & Business Analytics would be beneficial. Additionally, certifications such as Decentralized Finance (DeFi) Infrastructure, Certified Blockchain Expert, Engage 7X, and FinTech: Foundations, Payments, and Regulations would be valuable.

A Master's degree in finance, accounting, economics, or related fields like international business or public administration can also be advantageous. Other certifications that could enhance one's qualifications include CIMA (focus on investment consulting), CFA charter (useful for financial advisory

firms, investment firms, insurance companies, banks, and investment funds), CISI Level 3 The Chartered Institute for Securities and Investment Certificates (required for obtaining Financial Conduct Authority (FCA) Approved Person status), and certifications like Certified Treasury Professional (CTP) or Certified International Investment Analyst (CIIA).

There is also a growing importance placed on Environmental, Social, and Governance (ESG) investing. Certifications like CFA Institute Certificate in ESG Investing and Global Reporting Initiative (GRI) Sustainability Reporting Certification can help individuals in this field. Lastly, for those interested in Mergers & Acquisitions, certifications such as Mergers & Acquisitions Professional (M&AP), Chartered Financial Analyst (CFA), and Certified Public Accountant (CPA) are noteworthy.

Considering these criteria and obtaining the necessary qualifications can greatly contribute to Rwanda's goal of becoming a thriving financial services hub.

Note: Specialized and Non-specialized Positions?

There are distinct differences between specialized and non-specialized jobs. Specialized jobs typically require in-depth knowledge and expertise in a specific area of finance, whereas non-specialized jobs may involve broader responsibilities across multiple areas. Here are some key differences:

It's worth noting that different organizations may have varying definitions of specialized and non-specialized jobs, and the distinction can vary across industries and regions. Ultimately, the specific requirements and expectations for specialized and non-specialized roles depend on the organization and the nature of the financial industry itself.



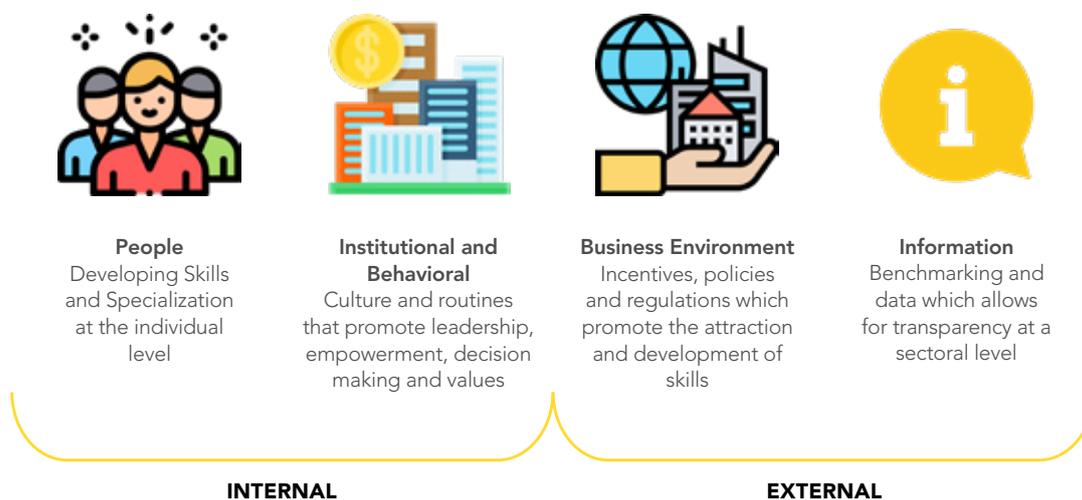
# Recommendations and Action Plan

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## 8. RECOMMENDATIONS AND ACTION PLAN

There are four paths to ensuring Rwanda’s financial services sector has the skills it needs for today and tomorrow.

Figure 33: Pathways to Ensuring Financial Sector Skills Demand are met.



Source: Vanguard Economics, 2023

### People

- Mentorship program: a mentoring program can be established to encourage knowledge transfer between experienced and aspiring professionals in the financial sector. This can be done by matching mentors and mentees based on their skills and interests.
- Specialized training institute: specialized training institutes can be set up in partnership with industry to design tailored curriculums with a focus on future skills. These institutes can also provide opportunities for hands-on learning and practical experience.
- Global partnerships: global partnerships can be formed to bring international expertise and develop local trainers in the financial sector. This can be done by collaborating with organizations in other countries that have experience in skills development.
- Academia-industry partnerships: academia-industry partnerships can be formed to integrate both knowledge and practical skills application in the training of financial sector professionals. This can be done by collaborating with universities and colleges to develop relevant curriculums and provide opportunities for internships and

<p><b>Institutional and Behavioral</b></p>	<ul style="list-style-type: none"> <li>• Salary Incentives: Salary incentives can be implemented to attract and retain skilled professionals in the financial sector. This can be done by benchmarking salaries with other countries in the region or by offering performance-based bonuses.</li> <li>• Executive Training Program: An executive training program can be created to improve corporate culture and organizational performance in the financial sector. This can be done by providing training on topics such as leadership, management, and strategic planning.</li> <li>• Incentives to up skill staff: A training levy that will be used to train staff in specialized roles. This would reduce poaching.</li> <li>• Discourage poaching and promote talent retention and development within</li> </ul>
<p><b>Business Environment</b></p>	<ul style="list-style-type: none"> <li>• Sector Skills Council: The Sector Skills Council can be further developed as the central coordinating agency for skills development in the financial sector. This will provide an anchor institution to align skills initiatives and ensure that they are aligned with the needs of the sector.</li> <li>• Global Certifications: Global certifications can be incentivized to boost expertise in the financial sector. This can be done by providing subsidies or tax breaks for professionals who obtain these certifications.</li> <li>• Visa Regime &amp; Occupations in Demands List (ODL): The visa regime can be liberalized to make it easier for experienced professionals to work in the Rwandan financial sector. This will help to attract and retain skilled talent in the country. Annual consultations with industry stakeholders to update the ODL will ensure it reflects to identify the specific skills and qualifications that are in demand.</li> <li>• Training Levy System: A training levy system can be implemented to fund skills development in the financial sector. This would involve employers contributing a percentage of their payroll to a skills development</li> </ul>
<p><b>Information</b></p>	<ul style="list-style-type: none"> <li>• Skills Frameworks and Competency Models: Skills frameworks and competency models can be developed across job roles and specializations in the financial sector. This will define skills standards and help to ensure that training is aligned with the needs of the sector</li> <li>• Skills Gap Survey: An annual skills gap survey can be conducted to quantify current and future skills demands in the financial sector. This will help to identify areas where skills development is needed.</li> <li>• Salary and Incentive Benchmarking: A benchmarking study can be conducted on salaries and incentives in the Rwandan financial sector against key comparator markets. This will help to ensure that salaries and incentives are competitive and attract and retain skilled</li> </ul>

**Notes and examples:**

Mentorship programs in Kenya, Mauritius, and Singapore can serve as inspiration for Rwanda to build its own mentorship initiatives in the financial sector. Some examples from the comparator countries include:

- Kenya: One successful program is the Equity Bank's Wings to Fly mentorship program. It provides financial support, mentorship, and leadership training to academically talented but financially disadvantaged students. Rwanda can consider a similar program to identify and nurture talented individuals from disadvantaged backgrounds, providing them with financial assistance, mentorship, and specific industry exposure in the financial sector.
- Mauritius: The Mauritius Bankers Association (MBA) runs a mentorship program that connects experienced professionals with aspiring young

talents. The mentors provide guidance, share knowledge, and help mentees develop skills required in the banking industry. Rwanda can establish a similar mentorship network where established industry professionals volunteer their time to mentor young talents in the financial sector, providing guidance on career development and sharing industry insights.

- Singapore: Singapore's Institute of Banking and Finance (IBF) offers mentorship programs that cater to specific areas within the finance sector, such as wealth management or risk management. Rwanda can create specialized mentorship programs focusing on areas of expertise within the financial sector, facilitating knowledge transfer and practical guidance to mentees who have interest in those specific fields.

To discourage talent poaching and retain talent, some recommendations that Rwanda can consider include:

- Build a vibrant financial ecosystem: Develop a strong financial ecosystem that provides ample career growth opportunities and competitive compensation for professionals. Establish partnerships between educational institutions and financial industry players to ensure the curriculum aligns with industry needs, enabling students to develop relevant skills and knowledge.
- Encourage collaboration: Foster collaborations between academia, the government, and financial institutions to create internships, apprenticeships, and job placement programs. This would enhance the chances of retaining talent as they gain hands-on experience and familiarity with the local financial landscape.
- Offer continuous professional development: Establish programs that support continuous learning and professional development in the financial sector. This can include training workshops, certifications, conferences, and seminars, enabling professionals to update their skills and remain competitive.
- Recognize and reward talent: Implement performance-based reward systems to recognize and incentivize talented individuals. Create avenues to highlight success stories and achievements, encouraging

others to stay and grow within the Rwandan financial sector.

By implementing these recommendations alongside mentorship programs, Rwanda can create an environment that nurtures local talent, promotes growth, and discourages poaching within the financial sector.

The Mauritius Africa Finance Hub (MAFH) has started a skills program in FinTech, financial literacy, and recent advancements such as AI and blockchain, and leadership, entrepreneurship, and startups. In Singapore, The Institute of Banking and Finance Singapore (IBF) has accredited skills training programs that focus on the future, including digital awareness, agile/entrepreneurial thinking, data analysis, future communication, human-centred design, and risk and governance in the digital world. For sustainable finance, the topics deemed crucial for private banking relationship management in the next three years are carbon markets, decarbonisation strategy, and climate change management. MAS has allocated S\$400 million in grant funding from the Singaporean Financial Sector Development Fund for the Talent and Leaders in Finance Programme from 2021 to 2025. The Institute of Banking and Finance Singapore (IBF) has adopted the usage of future skills accelerator (FSA), an AI-integrated cloud-based platform, to enhance workforce transformation in a more efficient and expedited manner. IBF recognizes that the future of finance encompasses two significant aspects: technology and sustainability. Therefore, they have plans to provide training and development opportunities to upskill and reskill their workforce. As an example, they have already trained over 1,000 mid-career employees in the Technology in Finance Immersion Programme, covering areas such as AI, wealth management, business analysis, cloud systems, cybersecurity risk, data analytics, and software engineering. Additionally, 60 financial institutions have provided training to more than 6,000 individuals. In April 2023, MAS and IBF introduced the Polytechnic Talent for Finance Scheme, which aims to encourage financial institutions to hire and train polytechnic graduates. Furthermore, 3,000 individuals participated in IBF certifications for compliance, consumer banking, private banking, financial planning, and risk management. Other schemes include the Work Study Support Programme (WSSP), Finance Associate Management Scheme (FAMS), Financial Training Scheme (FTS), and the IBF Standards Training Scheme (IBT-STs).

## FEASIBILITY OF INTERVENTIONS

Figure 34: Short, Medium, and Long-term Possible Interventions

	PEOPLE	INSTITUTIONAL & BEHAVIORAL	BUSINESS ENVIRONMENT	INFORMATION
CONTINUOUS		<ul style="list-style-type: none"> <li>Discourage poaching and promote talent retention and development within firms</li> </ul>	<ul style="list-style-type: none"> <li>Global Certifications</li> <li>Visa Regime &amp; Occupations on Demand List (ODL)</li> </ul>	<ul style="list-style-type: none"> <li>Skills Gap Survey</li> <li>Salary and Incentive Benchmarking</li> <li>Salary surveys</li> </ul>
SHORT TERM	Mentorship Program		<ul style="list-style-type: none"> <li>Sector Skills Council</li> </ul>	<ul style="list-style-type: none"> <li>Skills Frameworks and Competency Models</li> </ul>
MEDIUM TERM	<ul style="list-style-type: none"> <li>Specialized Training Institute</li> <li>Academia-Industry Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Salary Incentives</li> <li>Professional Training Program</li> <li>Pay transparency</li> </ul>	<ul style="list-style-type: none"> <li>Training Levy System</li> </ul>	
LONG TERM	<ul style="list-style-type: none"> <li>Global Partnerships</li> </ul>			

Source: Vanguard Economics, 2024

Figure 35: Key Findings, Constraint, Policy Interventions and Expected Impact

NO	KEY FINDINGS	CONSTRAINT	POLICY INTERVENTION	EXPECTED IMPACT	LEAD	TIMELINE
1	Information Assymetry	<ul style="list-style-type: none"> <li>Limited availability of data on professionals levels of qualifications and poor response rate to survey/ requests for data</li> <li>Limits ability to regulate sector</li> <li>Limited ability to predict skills needs accurately</li> </ul>	<p><b>A. Mandate Financial Sector Skills Survey/ Census</b></p> <ul style="list-style-type: none"> <li>To unlock available data from Industry and certification bodies</li> <li>To enable industry associations to conduct skill surveys and report on</li> </ul>	<ul style="list-style-type: none"> <li>Reliable data on skills that attracts investment and influences policy</li> <li>-Improved manpower planning and Human Capital</li> </ul>	Regulators (NBR,CMA)	Annually
		<p>Poaching and Discrepancies in compensation for same roles</p> <ul style="list-style-type: none"> <li>high operational costs and discourages private sector investment in skills development</li> </ul>	<p><b>B. Conduct compensation survey to unlock/ mine available data from Pension Fund and existing stakeholders</b></p> <p><b>C. Identify and mandate a key institution to mine data for compensation survey/ review in line with Data Protection Act</b></p>	<ul style="list-style-type: none"> <li>Better understanding of overhead cost structure in Financial Sector to allow for easy decision making by investors</li> <li>Better predictions of returns on Investment</li> <li>Talent retention in country</li> </ul>	NISR Through the Financial Sector Skills	Annually
2	Gap in Up-skilling and Governance	<ul style="list-style-type: none"> <li>Limited specialization</li> <li>Skills and employment mismatch leading to limited influx/inflow of young talent to financial sector and high under/ unemployment</li> </ul>	<p><b>D. Incentivise industry wide continuous professional development either through a training levy or fiscal incentives for internships/ graduate programs</b></p> <p><b>E. Identify mandatory professional standards/ qualifications for financial professionals and Key roles</b></p>	<ul style="list-style-type: none"> <li>- Increased number of re-skilled and specialized financial professionals</li> <li>Reduction in employment and skills mismatch</li> <li>High Human Capital Index statistics encourages investment</li> </ul>	Financial Sector Skills Council	Short-Term

Source: Vanguard Economics, 2024



# Intervention Work Plan

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## 9. INTERVENTION WORK PLAN

Based on the findings of this skill survey, the KIs and comparator countries analysis, this is the suggested short, medium and long-term interventions workplan:

PEOPLE	SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONGER TERM INTERVENTIONS
<b>MENTORSHIP PROGRAM</b>			
Identify and recruit mentors and mentees.	■		
Match mentors and mentees based on their skills and interests.	■		
Provide training for mentors on how to be effective mentors.	■	■	
Facilitate regular meetings between mentors and mentees.	■	■	
<b>SPECIALIZED TRAINING INSTITUTE</b>			
Develop budget and organise logistics	■	■	
Design a curriculum that addresses the identified skills gaps.	■	■	
Secure funding for the institute.			■
Hire and train instructors.			■
Recruit students.			■
Launch Institute			■
<b>GLOBAL PARTNERSHIPS</b>			
Identify potential partners in other countries who have skills development experience.	■		
Develop a Memorandum of Understanding (MOU) with the partners.	■	■	
Secure funding for the partnerships.		■	
Recruit and train trainers.		■	
Deliver training programs.			■
<b>ACADEMIA-INDUSTRY PARTNERSHIPS</b>			
Identify potential partners in universities and colleges.	■		
Develop a Memorandum of Understanding (MOU) with the partners.	■	■	
Secure funding for the partnerships.		■	
Develop relevant curricula.		■	

PEOPLE	SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONGER TERM INTERVENTIONS
<p>Provide opportunities for internships and apprenticeships.</p>			
INSTITUTIONAL BEHAVIOR	SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONGER TERM INTERVENTIONS
<p><b>SALARY INCENTIVES TRAINING:</b></p> <p>Conduct a thorough analysis of salary levels in regional financial sectors.</p> <p>Benchmark Rwandan salaries against comparable countries to determine competitiveness.</p> <p>Design and implement a structured salary incentive program, considering both base salaries and performance-based bonuses.</p> <p>Collaborate with HR departments to communicate the incentive scheme.</p> <p>Regularly review and adjust salary incentives to remain competitive.</p>			
<p><b>ESTABLISH PROFESSIONAL TRAINING PROGRAM/SCHEMES:</b></p> <p>Identify key areas for improving corporate culture and organizational performance within the financial sector.</p> <p>Develop a comprehensive curriculum for the professional training program, focusing on key areas identified in the survey</p> <p>Collaborate with industry experts and training institutions to deliver high-quality training sessions.</p> <p>Plan and schedule training sessions, workshops, and seminars, considering the availability of participants.</p> <p>Monitor the training program impact on participants and organizational performance.</p>			
<p><b>PROMOTE TALENT RETENTION AND DEVELOPMENT:</b></p> <p>Analyze the current landscape of talent retention and development practices within financial firms.</p> <p>Identify strategies to discourage talent poaching, such as introducing non-compete agreements or loyalty incentives.</p> <p>Support firms HR Develop and communicate clear career development paths for employees, outlining opportunities for growth within the organization.</p> <p>Create mentorship and coaching programs to support talent development and knowledge sharing.</p>			

BUSINESS ENVIRONMENT	SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONGER TERM INTERVENTIONS
<b>DEVELOPING THE SECTOR SKILLS COUNCIL:</b>			
<p>Assess the current role and structure of the Sector Skills Council (SSC).</p> <p>Identify areas to improve its coordination capabilities.</p> <p>Design a comprehensive plan for the SSC's enhanced role as the central coordinating agency for skills development in the financial sector.</p> <p>Establish mechanisms for regular consultation with key stakeholders to align skills initiatives with sector needs.</p>			
<b>INCENTIVIZING GLOBAL CERTIFICATIONS:</b>			
<p>Research globally recognized certifications relevant to the financial sector.</p> <p>Determine the criteria for selecting certifications to be incentivized.</p> <p>Collaborate with relevant bodies to assess the feasibility of offering subsidies or tax breaks for professionals obtaining these certifications.</p> <p>Develop a communication strategy to promote the benefits of global certifications and the associated incentives.</p>			
<b>OPTIMIZING VISA REGIME AND ODL:</b>			
<p>Analyze the current visa regulations and their impact on attracting skilled professionals.</p> <p>Collaborate with immigration authorities to explore possibilities for liberalizing the visa regime for experienced financial professionals.</p> <p>Establish a process for annual consultations with industry stakeholders to update the Occupations in Demand List (ODL).</p> <p>Ensure the ODL accurately reflects the specific skills and qualifications needed in the financial sector.</p> <p>Implement changes to the visa regime and ODL based on industry feedback and evolving skill demands.</p>			
<b>IMPLEMENTING THE TRAINING LEVY SYSTEM:</b>			
<p>Engage with financial sector employers to explain the concept and benefits of the training levy system.</p> <p>Determine the percentage of payroll that employers will contribute to the skills development fund.</p> <p>Develop a transparent mechanism for collecting and managing the training levy funds.</p> <p>Collaborate with industry associations to oversee the fair and effective utilization of the funds for relevant training programs.</p>			

INNOVATION	SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONGER TERM INTERVENTIONS
<b>DEVELOPING SKILLS FRAMEWORKS AND COMPETENCY MODELS:</b>			
<p>Identify key job roles and specializations within the financial sector.</p> <p>Collaborate with industry experts to define required skills and competencies for each role.</p> <p>Design comprehensive skills frameworks and competency models for various positions.</p> <p>Validate frameworks through industry feedback and adjustments as needed.</p> <p>Create documentation and communication materials for disseminating the frameworks.</p>			
<b>CONDUCTING ANNUAL SKILLS GAP SURVEYS:</b>			
<p>Design a comprehensive survey questionnaire to assess current skills levels and future skill demands in the financial sector.</p> <p>Collaborate with HR departments, industry associations, and relevant institutions to distribute the survey.</p> <p>Collect, analyze, and interpret survey data to identify prominent skill gaps.</p> <p>Compile survey results into a comprehensive report detailing skill gaps and areas needing improvement.</p> <p>Present findings to key stakeholders and involve them in discussions about potential solutions.</p>			
<b>EXECUTING SALARY AND INCENTIVE BENCHMARKING:</b>			
<p>Identify comparable markets and financial sectors for benchmarking purposes.</p> <p>Collaborate with financial institutions and HR professionals to collect accurate salary and incentive data.</p> <p>Analyze collected data to determine the competitiveness of current salaries and incentives.</p> <p>Develop a comprehensive benchmarking report that outlines findings and recommendations.</p> <p>Engage with industry representatives to discuss and validate benchmarking results.</p>			



# Conclusion

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## 10. CONCLUSION

In conclusion, the financial sector in Rwanda is facing a few challenges, including a shortage of skilled professionals, a lack of coordination between institutions, and a mismatch between government policy and the needs of the industry. However, there have been some positive developments in recent years, such as the establishment of the Sector Skills Council and the introduction of the National Qualification Framework. These initiatives have the potential to address some of the challenges facing the sector and help to ensure its long-term sustainability.

To address these challenges, it is important to:

- Continue to invest in education and continuous professional development to develop a strong pool of skilled professionals. The sector skills council can play a key role in this by providing guidance and support to educational institutions and employers and in defining industry competency standards.
- Improve coordination between institutions and stakeholders to ensure that resources are being used effectively.
- Align government policy with the needs of the industry to attract investment and create jobs.
- Promote Industry Collaboration & Standard Surveys - Through associations such as those of Bankers, Lawyers, Accountants, Insurance, Fintech etc. and Government regulators there is an opportunity to establish a platform for collecting and sharing data on skills and compensation. This can help maintain data privacy while providing valuable insights to employers and investors. These should be conducted with endorsement from regulatory bodies to enable

complete participation from all relevant key players.

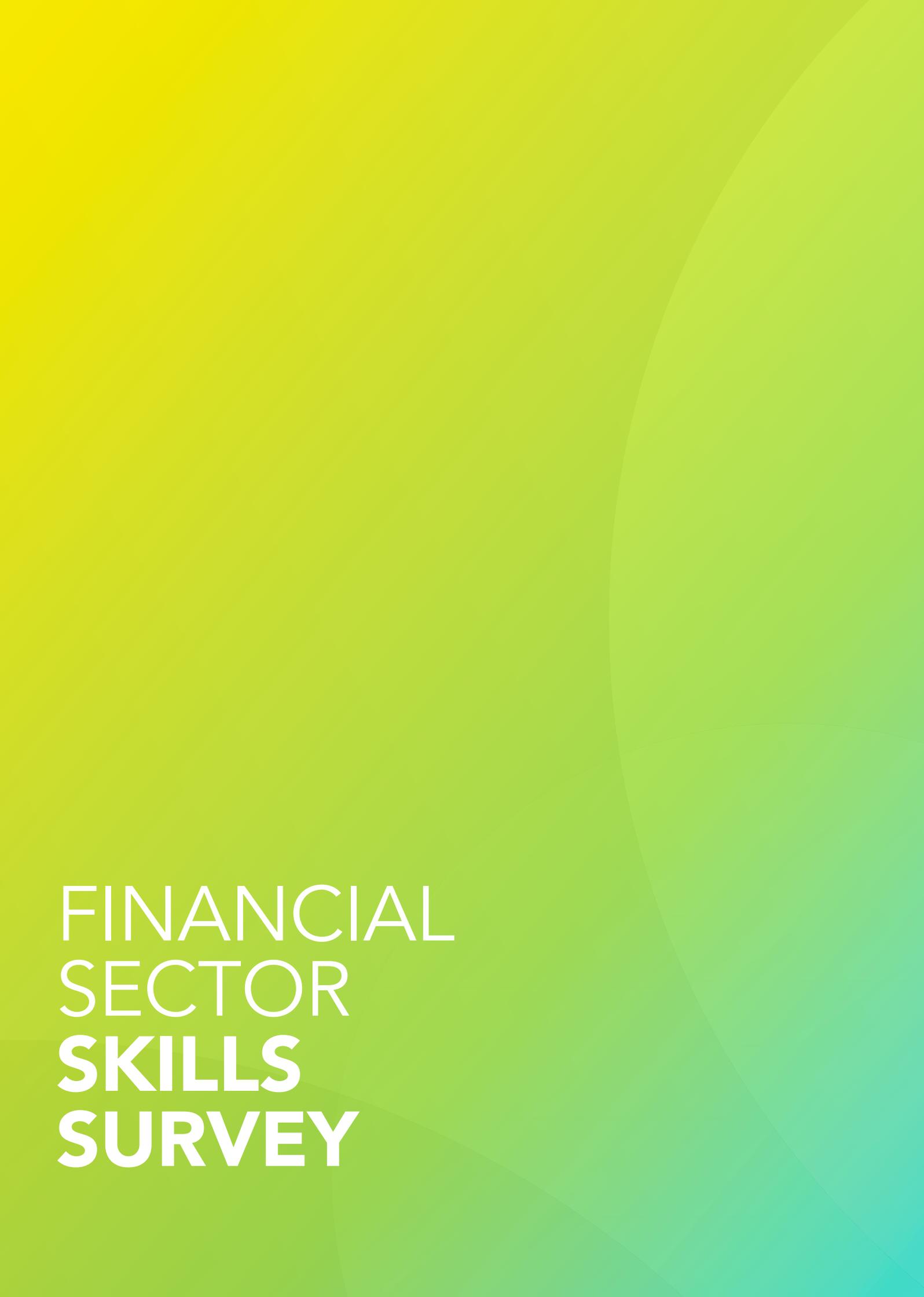
- Pay Transparency - Provide guidance on criteria guiding compensation decisions, emphasizing its role in mitigating salary disparities by promoting fairness and accountability in pay practices. This will also help reduce one of the concerns that was picked up during the KII's where employers complained about investing in trainings and having their staff poached by the competition.

By addressing these challenges, the financial sector in Rwanda can continue to grow and contribute to the country's economic development.

In addition to the above, it is also important to:

- Promote financial literacy among the population to increase access to financial services.
- Develop a strong regulatory framework to protect consumers and promote competition.
- Encourage innovation in the financial sector to develop new products and services that meet the needs of the population.

By taking these steps, the financial sector in Rwanda can become a major driver of economic growth and development.



# FINANCIAL SECTOR **SKILLS SURVEY**

# ANNEXES

## ANNEX I: QUALITATIVE DATA: KEY INFORMANT INTERVIEWS

## CATEGORY: ASSOCIATIONS 1

DATE: 05/06/2023

NO.	QUESTIONS	NOTES	COMMENTS
1	Are the demands of industry adequately addressed in government policy, i.e., bias for higher education qualification bias in the occupation demand list?	<p>It is evident that the focus of addressing industry demands has been misdirected. Despite having a register of 1,000 members, research indicates that a staggering 8,400 accountants are required for the public sector alone. This scarcity of qualified professional's forces investors to wait for accountants, intensifying the competition for talent and driving up remuneration.</p> <p>Furthermore, the civil service has a scheme for staff, but it primarily targets individuals who may soon retire. Additionally, the pass rate of this scheme is lowered due to the participants' other commitments, which hinders the development of a skilled workforce.</p> <p>To address these challenges, it is crucial to shift the focus towards the younger generation who are driven and eager to succeed. The private sector, unfortunately, lacks a strategy for skill development, which further exacerbates the issue.</p> <p>In contrast, some countries classify accounting as a STEM field (Science, Technology, Engineering, and Mathematics), recognizing its significance in the modern economy. However, in Rwanda, accounting does not fall under the STEM category, potentially overlooking its importance and hindering its development within the education system</p>	
2	Perceptions of best route for financial sector young professional development?	<p>It is recommended to prioritize the support and sponsorship of young professionals by institutions like BRD who possess the necessary expertise. Efforts should be made to streamline and simplify the process for these young individuals to access such support, making it more accessible and efficient.</p> <p>Considering the financial constraints faced by the country, it becomes crucial to prioritize initiatives that can provide a competitive advantage quickly. Therefore, focusing on empowering and developing young professionals who show potential in the financial sector can yield faster results. Additionally, it is advisable for the skills council to have a stake in the Higher Education Commission (HEC), ensuring that the financial sector's specific skill requirements are well-aligned with the education system.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>The value and necessity of professional qualifications in the financial sector are significant such as CPA, CFA, CIMA, CGM, ACCA, Actuarial Sciences.</p> <p>It is also important to prioritize qualifications that are not only relevant to the local market but also hold weight in the international arena.</p>	

4	Where do you see relevance of the sector skills council in support to address your need?	<p>The skills council should take on the role of advocacy and guidance in order to ensure that BRD invests in the right education and skills needed in the market. By actively engaging with BRD, the council can provide valuable insights and recommendations on the specific areas of education and skill development that require investment. This includes identifying the emerging needs and trends within the financial sector and aligning educational programs and initiatives accordingly.</p> <p>Additionally, the skills council should guide the financial sector on where to start in terms of addressing skill gaps. By conducting thorough assessments of the current skills landscape, identifying the most pressing needs, and understanding the industry's requirements, the council can provide clear guidance on the areas that should be prioritized in terms of skill development.</p>	
5	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current or how best to avoid in future.	<p>Coordination has emerged as a challenge in the financial sector, as financing does not always align with the sector's priorities. Despite the scarcity of accountants in Rwanda, it has been demonstrated that qualified accountants find it relatively easier to pursue the CFA qualification. However, there is a need to address this issue and ensure that resources and support are directed towards building a stronger pool of accountants within the country.</p> <p>Furthermore, there have been concerns about the HEC being resistant to change. To overcome this, it is important for HEC to actively involve stakeholders and seek their input. By engaging stakeholders, including industry professionals, employers, and professional bodies, HEC can gain valuable insights and ensure that the education system meets the evolving needs of the financial sector.</p> <p>In terms of recognition, examples were provided where the ACCA qualification is equated to a master's degree in countries such as the UK, Pakistan, and India. This highlights the need for a national qualification framework in Rwanda, which would establish equivalencies and provide clarity on the value and recognition of different qualifications.</p>	

NO.	QUESTIONS	NOTES	COMMENTS
1	Are the demands of industry adequately addressed in government policy, i.e., bias for higher education qualification bias in the occupation demand list?	<p>While the demand for the sector is not entirely met, there has been notable progress in addressing the issue, thanks to the efforts made by the government. The subsector currently employs 6,000 staff, indicating some level of growth. However, poaching of skilled professionals remains a prevalent challenge, indicating a gap between supply and demand.</p> <p>The cost of training in the sector is significantly high, posing a barrier to entry for individuals seeking to acquire the necessary qualifications. To overcome this, it is essential for all stakeholders to collaborate and work together in order to achieve the shared goal of establishing the sector as a hub.</p> <p>Furthermore, there is a need for increased engagement with the private sector. By fostering closer partnerships and collaborations, opportunities for development can be created, enabling the sector to thrive. This collaboration will not only help bridge the skills gap but also facilitate the growth and advancement of the industry as a whole.</p>	
2	Perceptions of best route for financial sector young professional development?	<p>He mentioned the positive impact of the established Rwanda Academy Finance, which addresses the identified needs of HR managers within the subsector. However, it falls short in addressing the skill requirements for employees in higher positions within the industry. This presents an opportunity to create a specialized program or academy that caters to the skill development needs of higher-level staff, as the current practice of sending employees abroad for training is costly and potentially inefficient.</p> <p>He expressed hope that the skills council, in collaboration with relevant stakeholders (e.g.: Public Private Partnership), can streamline and coordinate the various efforts in skill development. This would help reduce scattered and fragmented initiatives, ensuring a more cohesive and effective approach to addressing skill gaps within the financial subsector</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>The value and necessity of professional qualifications in the financial sector are significant. The international players that eyes to set up in Rwanda wants qualified skills. While there are existing skills, they are deemed insufficient to meet the industry's critical requirements. Specifically, qualifications such as CFA, ACCA, legal certifications needed in the financial sector, and auditors' qualifications are regarded as crucial in addressing skill gaps and enhancing expertise within the sector.</p> <p>In the past five years, there has been increased emphasis on corporate governance within the financial sector. This emphasis is driven by the high costs associated with noncompliance. Additionally, due to numerous fraud issues, risk management has become a paramount concern.</p> <p>Compliance with anti-money laundering measures has emerged as a key area, necessitating the training and development of staff. As a result, individuals have been sent to Luxembourg for specialized training, and corresponding banks are adopting stricter measures in response to these challenges.</p>	

4	Where do you see relevance of the sector skills council in support to address your need?	<p>To effectively contribute, the council needs to define the priority skills required by the industry. This involves identifying the specific areas that require immediate attention and investment. By establishing clear priorities, resources and efforts can be directed towards these critical skill areas.</p> <p>Furthermore, the council should ensure the sustainability of learning initiatives. This includes developing strategies to support ongoing skill development and continuous learning within the sector. By promoting a culture of lifelong learning, professionals can stay up to date with industry trends and advancements.</p> <p>The council can also benefit from engaging retired professionals who possess valuable expertise and experience. Tapping into this resource can provide mentorship opportunities and transfer of knowledge to the younger generation, contributing to the overall skill development in the sector.</p> <p>Advocacy for pro-sector policies is another vital function of the council. By actively promoting policies that support the growth and development of the financial sector, such as funding for training programs or tax incentives for skill development initiatives, the council can create an enabling environment for skill enhancement.</p> <p>Effective communication is key in ensuring that individuals within the sector are aware of the available skill development opportunities. The council should actively communicate the initiatives, programs, and resources that are available to professionals, facilitating their access to relevant learning and development opportunities.</p>	
5	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current or how best to avoid in future.	RBA is in partnership with Kenya Banking Association and Uganda Banking Association where they share valuable information and experiences, learning from each other to avoid repeating mistakes made in other associations. This cross-border collaboration provide insights and best practices that contribute to the development and improvement of the banking sector in Rwanda.	

NO.	QUESTIONS	NOTES	COMMENTS
1	Are the demands of industry adequately addressed in government policy, i.e., bias for higher education qualification bias in the occupation demand list?	<p>While the demand for the sector is not entirely met, there has been notable progress in addressing the issue, thanks to the efforts made by the government. The subsector currently employs 6,000 staff, indicating some level of growth. However, poaching of skilled professionals remains a prevalent challenge, indicating a gap between supply and demand.</p> <p>The cost of training in the sector is significantly high, posing a barrier to entry for individuals seeking to acquire the necessary qualifications. To overcome this, it is essential for all stakeholders to collaborate and work together in order to achieve the shared goal of establishing the sector as a hub.</p> <p>Furthermore, there is a need for increased engagement with the private sector. By fostering closer partnerships and collaborations, opportunities for development can be created, enabling the sector to thrive. This collaboration will not only help bridge the skills gap but also facilitate the growth and advancement of the industry as a whole.</p>	
2	Perceptions of best route for financial sector young professional development?	<p>He mentioned the positive impact of the established Rwanda Academy Finance, which addresses the identified needs of HR managers within the subsector. However, it falls short in addressing the skill requirements for employees in higher positions within the industry. This presents an opportunity to create a specialized program or academy that caters to the skill development needs of higher-level staff, as the current practice of sending employees abroad for training is costly and potentially inefficient.</p> <p>He expressed hope that the skills council, in collaboration with relevant stakeholders (e.g.: Public Private Partnership), can streamline and coordinate the various efforts in skill development. This would help reduce scattered and fragmented initiatives, ensuring a more cohesive and effective approach to addressing skill gaps within the financial subsector</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>## RW_VE_RFL_SS_ASS_2 ## The value and necessity of professional qualifications in the financial sector are significant. The international players that eyes to set up in Rwanda wants qualified skills. While there are existing skills, they are deemed insufficient to meet the industry's critical requirements. Specifically, qualifications such as CFA, ACCA, legal certifications needed in the financial sector, and auditors' qualifications are regarded as crucial in addressing skill gaps and enhancing expertise within the sector.</p> <p>In the past five years, there has been increased emphasis on corporate governance within the financial sector. This emphasis is driven by the high costs associated with noncompliance. Additionally, due to numerous fraud issues, risk management has become a paramount concern.</p> <p>Compliance with anti-money laundering measures has emerged as a key area, necessitating the training and development of staff. As a result, individuals have been sent to Luxembourg for specialized training, and corresponding banks are adopting stricter measures in response to these challenges.</p>	

4	Where do you see relevance of the sector skills council in support to address your need?	<p>## RW_VE_RFL_SS_ASS_2 ## To effectively contribute, the council needs to define the priority skills required by the industry. This involves identifying the specific areas that require immediate attention and investment. By establishing clear priorities, resources and efforts can be directed towards these critical skill areas.</p> <p>Furthermore, the council should ensure the sustainability of learning initiatives. This includes developing strategies to support ongoing skill development and continuous learning within the sector. By promoting a culture of lifelong learning, professionals can stay up to date with industry trends and advancements.</p> <p>The council can also benefit from engaging retired professionals who possess valuable expertise and experience. Tapping into this resource can provide mentorship opportunities and transfer of knowledge to the younger generation, contributing to the overall skill development in the sector.</p> <p>Advocacy for pro-sector policies is another vital function of the council. By actively promoting policies that support the growth and development of the financial sector, such as funding for training programs or tax incentives for skill development initiatives, the council can create an enabling environment for skill enhancement.</p> <p>Effective communication is key in ensuring that individuals within the sector are aware of the available skill development opportunities. The council should actively communicate the initiatives, programs, and resources that are available to professionals, facilitating their access to relevant learning and development opportunities.</p>	
5	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current or how best to avoid in future.	<p>RBA is in partnership with Kenya Banking Association and Uganda Banking Association where they share valuable information and experiences, learning from each other to avoid repeating mistakes made in other associations. This cross-border collaboration provides insights and best practices that contribute to the development and improvement of the banking sector in Rwanda.</p>	

NO.	QUESTIONS	NOTES	COMMENTS
1	Are the demands of industry adequately addressed in government policy, i.e., bias for higher education qualification bias in the occupation demand list?	<p>At present there are only two fully qualified Actuaries in Rwanda and one is not even a Rwandan. There has been tremendous support from MINICOFIN &amp; BNR.</p> <p>At the regulatory level, the focus is on implementation. The goal is to have an actuary leading a function within a five-year timeframe, which is a considerably shorter duration compared to other developing countries where it typically takes 15 years to achieve this. With intentional and structured efforts, supported by relevant stakeholders, it is believed that Rwanda can have 20 qualified actuaries within 10 years.</p> <p>An example that demonstrates the potential for success is Kenya, where the number of fellows increased from 3 in 2007 to 52 in 2023. This success can be attributed to the availability of scholarships and the active involvement of fellows.</p> <p>At the policy level, one concern is the risk of investing in developing qualified professionals only to have them poached by other entities. To address this, a potential approach could be adopting a salary structure similar to that in the UK, where individuals start at the same level but receive salary increments upon passing exams, coupled with performance-based rewards.</p>	
2	Perceptions of best route for financial sector young professional development?	<p>In the UK, it is noted that top high school students can directly enter the field of accountancy. On the other hand, becoming an actuary typically requires a degree from a reputable university, a master's degree, and relevant practical experience. It is possible to receive exemptions from certain exams with a degree from a reputable institution.</p> <p>In the context of Rwanda, the following recommendations can be made for the development of young professionals in the financial sector:</p> <p>For fresh graduates: If you have completed strong mathematics courses, it is advisable to seek employment in a relevant industry to gain practical experience and go beyond theoretical knowledge. Additionally, pursuing a master's degree in actuarial science from a recommended university can further enhance your qualifications and understanding in the field.</p> <p>Ongoing exams and specialization: In the journey towards becoming an actuary, it is important to continuously undertake exams. In total, there are 13 exams, and as you progress, you have the option to choose a specialization. Practical experience is also crucial as you advance in your career.</p> <p>Planning for future skills: It is recommended for the RFL to have a forward-looking approach. This involves assessing the skills and expertise that the sector needs, identifying the institutions that Rwanda aims to attract, and planning ahead to equip the financial sector with these desired skills.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>Profession centric: where are we, where do we need to go, what can we do?</p> <p>Quality is also KEY.</p>	

4	Where do you see relevance of the sector skills council in support to address your need?	Actuarial Science is a long journey there is need to engage all involved especially universities and industry for experience because to be an actuary the two must go together. The latter can be done through lobbying employees and probably impose a levy. Practical experience is key especially in country mentors are non-existent we much begin to build from the ground up.	
5	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current or how best to avoid in future.	None	

NO.	QUESTIONS	NOTES	COMMENTS
1	Are the demands of industry adequately addressed in government policy, i.e., bias for higher education qualification bias in the occupation demand list?	<p>Government policies may not currently adequately address the demands of the financial sector in terms of education and training. For example, the focus of the School of Law is primarily on litigation rather than catering to the specific needs of the financial sector. This lack of emphasis on the financial sector within the education system is a concern, as it does not align with the requirements of the market.</p> <p>Insufficient support for the School of Law and its curriculum further exacerbates the issue. The curriculum may not sufficiently provide the necessary knowledge and skills required in the financial sector. As a result, there is a shortage of transactional lawyers who specialize in financial matters.</p>	
2	Perceptions of best route for financial sector young professional development?	At present you cannot get 50 law firms that can handle financial issues. There is need to be targeted in solving the issue e.g., target 200 young people and train them for the sector.	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	It has become a necessity to have an ILPD diploma as it is crucial for the market, for example Certified Public Secretary needs to be available in Rwanda, the school of Law can also focus on international and business law.	
4	Where do you see relevance of the sector skills council in support to address your need?	The training of Lawyers needs to be streamlines, we need to work with education institutions to streamline the curriculum but to start with focus on young people and train them as suggested above.	
5	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current or how best to avoid in future.	Lawyers are not involved in financial transaction, and this leads to loss of confidence in the market when clients suffer as a result of not being fully aware of what they were getting themselves into in terms of poor contracts, the rates and poor business plan. There is limited knowledge of what CMA, RSE or how one can raise capital.	

## CATEGORY: ASSOCIATIONS 6

DATE: 28/07/23

NO.	QUESTIONS	NOTES	COMMENTS
1	Are the demands of industry adequately addressed in government policy, i.e., bias for higher education qualification bias in the occupation demand list?	Fintech is a very new subsector and its mostly led by Banks. BNR has rules for the subsector on their websites most people are not aware of the rules. How to apply for licencing needs to be clear as some get in without being aware of requirements. This will greatly reduce barriers to entry.	
2	Perceptions of best route for financial sector young professional development?	It's still a new industry, there not much skills gap there. Local talent is less than 5 years' experience, there is no clear certification. Many people in the space learn on the job	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	Those in the sector need to know how to run firms and this requires accounting, cyber security, and anti-money laundering skills.	
4	Where do you see relevance of the sector skills council in support to address your need?	Not aware.	
5	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current or how best to avoid in future.	None	

NO.	QUESTIONS	NOTES	COMMENTS
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>As per the informant's account, he highlighted his own organization's experience, which suggests that entry was relatively easy. His team was able to meet the Minister of Finance and even had opportunities to interact with more market players than initially planned. This level of accessibility and engagement with high-level officials might not be as straightforward in other countries.</p> <p>However, it is important to note that the informant also acknowledged delays faced by other prospective entrants. This indicates that while entry may have been smooth for some, there are instances where external players have encountered challenges and experienced delays in establishing their presence in the Rwandan market.</p>	
2	What specific skills are required to attract regional players to enter Rwanda, including cross-cutting issues, e.g., quality of board members, presence of the big 4 etc.	<p>The informant acknowledged that Rwanda's trajectory is positive, despite the relatively smaller size of the opportunity in terms of GDP. He emphasized that investors take into consideration the presence of other players in the market, as risk is a significant factor in their decision-making process.</p> <p>The importance of having locally available skills was highlighted. While expatriate and diaspora skills can be valuable, there are certain aspects, such as language and culture, that they may lack. Having a deep understanding of the local context can provide a competitive advantage in effectively navigating the market.</p> <p>Furthermore, the informant stressed the significance of global experience and the ability to approach issues from a global perspective. This is particularly important in addressing emerging issues like Environmental, Social, and Governance (ESG) considerations and conducting market analysis. The ability to take a global outlook and understand international trends and practices contributes to a comprehensive and informed approach to decision-making.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>The informant emphasized the value and necessity of professional qualifications in the financial sector, categorizing them as technical qualifications. Among the specific qualifications mentioned, the CFA designation was ranked as the top priority.</p> <p>In addition to technical qualifications, the informant highlighted the importance of qualifications related to Environmental, Social, and Governance (ESG) considerations, as well as leadership qualifications that go beyond a traditional MBA. He specifically mentioned the significance of leadership qualifications that focus on understanding culture and managing people at different levels within the organization. This suggests that a deeper understanding of cultural nuances and effective people management skills are crucial for leadership in the financial sector.</p> <p>The informant also noted the importance of self-leadership in the future. This implies that individuals in the financial sector should possess the ability to take initiative, demonstrate personal accountability, and adapt to changing circumstances as they navigate their careers.</p>	
4	What soft skills gaps exist in your organization (e.g., communication, people skills) and why gaps exist in these areas?	<p>He shared an interesting quote, "you blink, you die," highlighting the importance of being proactive and assertive in pushing for sales. This mind set involves being persistent in getting clients to consider alternative perspectives and remaining dedicated to seeing tasks through to completion</p>	

5	Does your organisation encourage professional training? How? Please cite the specific ways this encouragement has been done?	<p>The informant mentioned that their organization, despite having a small office, does encourage professional training. He conducts in-house teaching, which is personally conducted by the informant himself. The purpose of these trainings is to enhance employees' understanding of the implications of current events and developments, enabling them to better serve clients.</p> <p>Additionally, when the need arises, the organization relies on their other offices to provide training and support. The informant also noted the popularity of CISI (Chartered Institute for Securities &amp; Investment) qualifications in Kenya and Uganda, indicating their relevance and recognition in the region.</p> <p>In 3 to 5 years, we have the intention of being a trading capital, where in house training will be provided</p>	
6	Do you see any skills gaps difference between your organisation and your competitors? If yes, what are these gaps and how did the gaps develop? How can the gaps be closed?	<p>The informant acknowledged that academic qualifications are not a major concern, as the key requirement lies in practical skills gained through experience. They observed that international banks have a more comprehensive approach to developing their employees' skills, thereby minimizing skill gaps. In order to address these gaps, the informant emphasized the need for Rwanda to attract more international organizations to the country. This would contribute to expanding the network of experience and expertise available, ultimately closing the skill gaps within the sector</p>	

NO.	QUESTIONS	NOTES	COMMENT
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>The informant expressed appreciation for the changes that have taken place in Rwanda over the past five years, specifically aimed at facilitating market entry. They highlighted the desire of the country to provide incentives through regulatory measures, which have contributed to creating a favorable environment for businesses.</p> <p>The importance of accountants was emphasized, with the mention that working in the "big four" accounting firms often exposes accountants to various areas within the field of finance. This exposure to different aspects of finance enhances their knowledge and skill set.</p> <p>In addition to technical expertise, the informant also stressed the significance of soft skills. These interpersonal skills are seen as essential in the financial sector, as they contribute to effective communication, teamwork, and client relations.</p>	
2	What specific skills are required to attract regional players to enter Rwanda, including cross-cutting issues, e.g., quality of board members, presence of the big 4 etc.	<p>According to the informant, Pan African Banks can leverage expertise from their headquarters, which can help develop the skills of local staff. This highlights the importance of knowledge transfers and building capacity within the local workforce.</p> <p>In terms of board members, the presence of non-executive directors with a strong understanding of how the country operates is crucial. These individuals bring valuable insights and guidance, contributing to effective decision-making and strategic planning.</p> <p>Addressing the skills challenge is also vital, particularly in skilling young and talented students. There is a demand for technical skills in areas such as data analysis, cybersecurity, and soft skills, including team building, agility, and empathetic leadership. Developing these skills internally is essential for the growth and competitiveness of the financial sector.</p> <p>One challenge that needs to be addressed is poaching, as it is not beneficial to any party involved. Poaching escalates labor costs and creates instability in the market. Therefore, measures should be taken to discourage poaching and promote talent retention and development within the industry.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>They mentioned the existence of an online course called the STEP certificate for financial services, which can eventually lead to a diploma qualification. They also highlighted the value of qualifications offered by CISI (Chartered Institute for Securities &amp; Investment) and specific qualifications provided by individual banks. Additionally, they noted that other subsectors within the financial industry may have their own specific qualifications, which vary depending on the area of focus.</p> <p>The informant emphasized the importance of qualifications in the investment sector, noting that they can have a direct impact on individuals and their professional growth. They stressed the need to build a culture within firms that encourages and supports the development of employees through acquiring relevant qualifications.</p>	They shared how industry players stemmed the island brain drain where students went to the UK for degrees with a good number not coming back. They encouraged getting into professionals' courses and struck an arrangement with universities provide degrees courses over a longer period to accommodate their work schedules.

4	What critical skills do you need (immediate, short & long term) in your organization that you may not have now or may need and what is your plan around this?	N/A	
5	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	The organization utilizes the services of consultants to address time constraints and fill gaps in their capacity. They specifically mentioned research consultancy as an area where external expertise is sought to ensure credibility and maintain their reputation. Although they may possess the required knowledge internally, the availability of time becomes a limiting factor. By outsourcing certain tasks, the organization can enhance their capabilities and deliver high-quality work.	
6	What soft skills gaps exist in your organization (e.g., communication, people skills) and why gaps exist in these areas?	<p>The informant mentioned that in their organization, individuals often join the company after they have already obtained their qualifications. In this context, management's role is to create opportunities for networking, allowing employees to connect with others in the industry.</p> <p>Communication was identified as a key skill in the sector, emphasizing the importance of effective and clear communication within the organization and with external stakeholders.</p> <p>Additionally, qualities such as enthusiasm and a willingness to learn were mentioned as desirable traits in employees. These attributes contribute to a positive work environment and facilitate continuous growth and development.</p>	
7	Does your organisation encourage professional training? How? Please cite the specific ways this encouragement has been done?	<p>The organization allocates a budget for training, with a focus on ensuring that the training provided aligns with the employees' work responsibilities. This approach ensures that the training directly supports their professional development and enhances their performance on the job.</p> <p>Individuals within the organization have the opportunity to request specific qualifications or certifications that they believe would benefit their role. However, these requests undergo a review and approval process to ensure their relevance and alignment with organizational goals.</p> <p>For employees who are already qualified, the organization emphasizes the importance of continuous professional development (CPD). This requirement ensures that qualified individuals stay updated with the latest industry trends, regulations, and practices to maintain and enhance their professional competence</p>	
8	Where do you see relevance of the sector skills council in support to address your need?	They emphasized the importance of first identifying the skills gaps and determining the required areas of development. The informant suggested that engaging in discussions with the industry is crucial, particularly with the private sector, as they possess a better understanding of the industry's needs compared to the government. The next step would involve aligning the industry and education sectors, ensuring effective coordination between the two entities. By establishing a strong partnership and collaboration, the sector skills council can play a vital role in bridging the skills gap and meeting the needs of the industry.	

## CATEGORY: INDUSTRY PLAYERS INSIDE RWANDA 1

DATE: 31/06/2023

NO.	QUESTIONS	NOTES	COMMENTS
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>The informant highlighted that while the local demand may be currently low, it remains unmet in Rwanda. To address this, there is a need to focus on creating awareness and educating clients about the available services and offerings within the market. Taking a long-term view is crucial in building and expanding the local demand for financial services such as fund management, fund administration and investment banking.</p> <p>Additionally, the informant emphasized that competition does not only come from local players but also from regional competitors who may not have a physical presence in Rwanda. This highlights the importance of recognizing and strategizing for competition beyond the local market, considering the regional dynamics and the potential impact on the sector.</p>	
2	What specific skills are required to attract regional players to enter Rwanda, including cross-cutting issues, e.g., quality of board members, presence of the big 4 etc.	<p>In the field of fund administration, having a local presence is important, even though the actual work may be conducted elsewhere due to the limited demand that justifies local investment. In terms of required skills, business and accounting knowledge are essential, along with strong communication skills, both oral and written, particularly at the officer level. While a supervisor can acquire skills from external sources, analytical skills are crucial for effective performance in this role.</p> <p>For management positions, leadership abilities are necessary, as well as the ability to handle service level agreements (SLAs) effectively. IT skills are also in demand, although the level of proficiency required is often high. In certain cases, such as BK Capital, limited options for IT solutions may lead to relying on the services of institutions like Bank of Kigali.</p> <p>Additionally, legal knowledge plays a significant role in managing trusts and foundations within the fund administration sector</p>	One challenge shared was in recruitment. It takes long to get a good staff. The other challenge is to go through the process, find a suitable foreign candidate and fail to get a work permit.
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>In the field of investment banking, specific qualifications that are highly regarded include Project Finance, Financial Modelling, and the Valuation Analyst - FMVA certification. The CFA is also recognized as valuable, although it is considered a long-term endeavor.</p> <p>Apart from the CFA, there are other options that can be beneficial for investment bankers. The Chartered Institute for Securities &amp; Investment (CISI) offers qualifications that are relevant to the industry. Additionally, certifications in brokerage, such as becoming a licensed broker, can provide specialized knowledge and skills.</p> <p>For individuals interested in financial planning and advisory roles, the Certified Financial Planner (CFP) designation is highly recommended. This qualification equips professionals with the expertise to offer comprehensive financial planning services to clients</p>	
4	What soft skills gaps exist in your organization (communication, people skills) and why gaps exist in these areas?	<p>In the organization, there is a recognized gap in soft skills, particularly in the areas of oral and written communication, as well as problem-solving for clients. The emphasis is on effectively addressing client needs and going the extra mile to ensure their satisfaction.</p>	

5	Does your organisation encourage professional training? How? Please cite the specific ways this encouragement has been done?	<p>Certainly, the organization has a requirement for all staff members to undergo six days of professional training annually. For employees directly involved in core areas, there is an expectation to pursue CISI qualifications, and depending on their specific field, a recommendation for CFA qualifications may be in place. While these qualifications are important, it is also recognized that coaching plays a crucial role in helping individuals apply their knowledge effectively. Merely possessing the knowledge is not sufficient; it needs to be combined with practical skills.</p> <p>The informant emphasized the importance of having more players in the industry, as this would lead to a greater impact and opportunities for growth. They also mentioned that developing and upskilling unqualified individuals can sometimes be easier, highlighting the value of nurturing talent within the organization</p>	
6	Do you see any skills gaps difference between your organisation and your competitors? If yes, what are these gaps and how did the gaps develop? How can the gaps be closed?	<p>In the brokerage sector, the informant mentioned that their organization is leading, benefiting from being part of the BK group. However, they acknowledged that other players in the market are more aggressive and hungry for success. These competitors have a deeper understanding of investment knowledge, particularly in fund management.</p> <p>In the field of fund administration, the organization faces competition from Rwanda National Investment Trust (RNIT). The informant also noted that in corporate finance, there are stronger competitors, some of whom are not based in the country but have better development structures.</p> <p>The informant emphasized that there are significant opportunities in the market, and attracting larger players would require investment incentives. They mentioned that locally, Southbridge has a strong team and a presence in multiple markets.</p> <p>Closing the gap will take time, as reputation and track record play a crucial role. The organization recognizes the importance of having skilled analysts, robust reporting systems, effective models, and excellent client interaction to stay competitive in the industry.</p>	

## CATEGORY: INDUSTRY PLAYERS INSIDE RWANDA 2

DATE: 05/06/2023

NO.	QUESTIONS	NOTES	COMMENTS
1	What are your critical immediate skills needs and where do you see a lot of demand in the coming years?	<p>Actuarial services currently rely on group who are not familiar with the Rwandan market. We skill up internally and the staff are poached at the end which is a loss to the company.</p> <p>Data analytics to enable us to tailor products to the market and to help with an appreciation of the trends in the market. There has been a lot of growth in finance, but the need is still there e.g., their finance manager is from Kenya.</p> <p>Underwriting is not a big challenge because of accessibility of CII in Nairobi and ACII in the UK.</p> <p>Head of compliance &amp; risk, legal, 2 accounts assistant, marketing manager, BD officer, actuarial associate, and assistant underwriter.</p> <p>Seeking to expand in individual insurance, life, and asset management in the pipeline.</p>	The Rwandan Law provides mechanism of employers protecting themselves, but it seems this is not being used.
2	What skills do you need in your organization that you may not have now and what is your plan around this, i.e., what are your future requirements for talent attraction & upskilling?	<p>Current vacant positions in Finance, Medical, Actuarial, Business Development and Marketing.</p> <p>Took one year and half year to get an internal auditor because of the level that was required.</p> <p>For Business Analyst, currently we are training internally 2-3 staff.</p>	
3	How does the above differ to your organization's current skills base & what have you done to adapt to your current situation?	Upskilling internally for the Actuarial and Business Analyst roles.	
4	What specific qualifications are critical in your business?	CII, ACCA/CPA, PMI/PMP-for management of projects	
5	How do you perceive the value/necessity of professional qualifications/certification in the financial sector & which specific qualifications?	<p>Having qualification is one thing, having experience/exposure is another thing.</p> <p>Professional qualifications/certifications is a necessity in our market</p>	
6	Do you perceive any gaps in the 2050 strategic plan in term of propelling/upskilling the financial sector?	<p>Insurance penetration is around 1.9% in Rwanda, we are in the right directions, we all have the same products, but the players are scattered,</p> <p>There is need for partnerships with different financial institutions and digitization in order to reach a wide population.</p> <p>Some of the challenges for the sector are unlimited liability on third party which can easily bring down a company.</p>	

7	What skills required in your organization are currently being outsourced to external consultants that you would prefer to be in-house – what is the cost to your organization/ does this inhibit specific areas of growth? Where are external consultants mainly sourced from (regional vs international)? Is there any effort to upskill local staff?	Most of the consulting work is done through the Group.  Business Strategy through BCG  Actuarial services	
8	What do you perceive as the current key barriers to upskilling your local staff – immigration, costs etc.?	The biggest impediment is poaching. The group has a very good training department. Trained 2 people at the group but they were poached as soon as they came back.	
9	What challenges have you faced in trying to address the issue of skills development in the financial sector? Is there clarity on who is responsible?	The regulator is supportive, but banking gets the lion's share of their support.	
10	Who within your organization is responsible for managing future skills development? How aligned is the board & management regarding the issue of skills development?	The CEO & HR carried a staff survey that showed that senior & junior staff were getting less support in development, and this is being addressed. The Board is very supportive.	
11	What is your experience/level of engagement with sector skills council – is it a useful mechanism/ where do you see the relevance of the sector skills council in addressing your areas of need?	Has not engaged with the council adequately to respond.	
12	Development of new products and services – what specific future upskilling and development is required?	Few products are under the Business Development level: individual insurance, GPA, life insurance and asset management.	
13	What soft skills gaps exist in your organization (e.g., communication, people skills) and why gaps exist in these areas?	Closing deals, there is a lot of comfort – prospecting, appointments, discussions, and handling rejection. There is a wide gap when local staff are compared with regional staff. There is need to appreciate the importance of structure in sales. Agents seem to be more aggressive than employees drawing a salary.	
14	How do your Organization bridge technical skills gap among people in the same departments/ teams/similar function and other departments? For example, gaps between legal/governance/compliance teams and the investment/corporate finance teams	The notable areas are in underwriting, claims and finance. A lot of training done because this is the core and mistakes can have serious implications.	
15	Do you see any skills gaps difference between your Organization and your competitors? If yes, what are these gaps and how did the gaps develop? How can the gaps be closed?		
16	Whether/how the interviewers' employers are positioning themselves in the international competitive environment?	Product differentiation and digitization.	

## CATEGORY: INDUSTRY PLAYERS INSIDE RWANDA 3

DATE: 19/06/2023

NO.	QUESTIONS	NOTES	COMMENTS
1	What are your critical immediate skills needs and where do you see a lot of demand in the coming years?	<p>Credit risk analysis, loan analysis, underwriting. Staff needs to upskill to determine the client's problem.</p> <p>Data Analysis. We have a lot of data in the cloud. We struggle to find people who analyses data and interpret it.</p> <p>Reporting. The quality of reporting is not good, it's not a language issue but the thinking.</p> <p>Risk Assessment. There is low skill in this area</p>	
2	What skills do you need in your organization that you may not have now and what is your plan around this, i.e., what are your future requirements for talent attraction & upskilling?	Use of the performance appraisal system to make assessment of the needs and setting of development goals.	
3	How does the above differ to your organization's current skills base & what have you done to adapt to your current situation?	<p>Urwego Bank is owned by Hope International who have a program for upskilling staff where a need is identified. Staff apply to seek approval &amp; sponsorship.</p> <p>Other staff are sent to Rwanda Bankers Association for training</p>	
4	What specific qualifications are critical in your business?	ACCA/CPA	
5	How do you perceive the value/necessity of professional qualifications/certification in the financial sector & which specific qualifications?	Practical certifications are most critical because some have knowledge but cannot communicate because of lack of hands-on training.	
6	Do you perceive any gaps in the 2050 strategic plan in term of propelling/upskilling the financial sector?	<p>Reduce the number of Banks, encourage mergers and/or acquisitions. 13 banks are too many for the market. This will up the game through encouraging innovation, we have come a long way as a country there is a huge informal sector that needs to be tapped and the smaller players should e.g., SACCOS should not be antagonized but should formalized gradually. There is a great need for huge projects in the country that can attract money.</p> <p>We need to improve our offerings as banks, traditional banks – too many documents required, which must be kept for 10 years.</p> <p>We need better products, investments, instruments, attract manufacturing, a mortgage bank that adapts to where people are – reduce conditions.</p>	
7	What skills required in your organization are currently being outsourced to external consultants that you would prefer to be in-house - what is the cost to your organization/ does this inhibit specific areas of growth? Where are external consultants mainly sourced from (regional vs international)? Is there any effort to upskill local staff?	None at the moment. We used to outsource IT team, but BNR has put on restrictions	

8	What do you perceive as the current key barriers to upskilling your local staff – immigration, costs etc.?	Rwanda Bankers Association need to increase the number of cohorts from the current 2 every year, the sector also needs to work together at present their banks that have their own academies because of their scale but if we worked together, it reduces the challenge.	
9	What challenges have you faced in trying to address the issue of skills development in the financial sector? Is there clarity on who is responsible?	N/A	
10	Who within your organization is responsible for managing future skills development? How aligned is the board & management regarding the issue of skills development?	They use their performance management system to identify needs and have someone in HR in charge of staff development. The Board is aligned as Hope International funds training.	
11	What is your experience/level of engagement with sector skills council – is it a useful mechanism/ where do you see the relevance of the sector skills council in addressing your areas of need?	UB is not familiar with the skills council	
12	Development of new products and services – what specific future upskilling and development is required?	We received funding from MasterCard Foundation to develop a new product for women. We have recruited a Product officer who will be working very closely with the lead product consultant on this project to learn.	
13	What soft skills gaps exist in your organization (e.g. communication, people skills) and why gaps exist in these areas?	Communication mainly, writing, MS Word, Presentation and being able to speak in public.	
14	How do your organization bridge technical skills gap among people in the same department/ teams/similar function and other departments? For example, gaps between legal/governance/ compliance teams and the investment corporate finance teams.	N/A	
15	Do you see any skills gaps difference between your organization and your competitors? If yes, what are these gaps and how did the gaps develop? How can the gaps be closed?	Competition is way ahead	
16	How is UB positioning itself in the international competitive environment?	UB is 100% local, but we have several strategies to keep ourselves relevant we put clients first & listen to them -quarterly engagement, relationship banking, we see individuals as people and use our faith in engagement e.g. called clients during COVID19 not to demand payment but to pray with them.  Biggest challenge for the bank is “de risking” loans given the segment which they serve which includes crop agriculture which has insurance products that are exclusion focussed.	

NO.	QUESTIONS	NOTES	COMMENTS
1	What are your critical immediate skills needs and where do you see a lot of demand in the coming years?	BK is focused on going digital so these would be data analysis, data engineers, Designers, Cyber Security and all the skills that is linked to ESG	
2	What skills do you need in your organization that you may not have now and what is your plan around this, i.e., what are your future requirements for talent attraction & upskilling?	Sponsor a lot of professional certifications in IT, cybersecurity, ACCA, CPA and information systems.	
3	How does the above differ to your organization's current skills base & what have you done to adapt to your current situation?	The sponsored staff take certification courses online and then bond them. The advantage is that as you work, you implement the acquired knowledge.	
4	What specific qualifications are critical in your business?	ACCA/CPA, IT related certifications	
5	How do you perceive the value/necessity of professional qualifications/certification in the financial sector & which specific qualifications?	There is a key difference between knowledge and skills. Certifications are hands on hence more preferred. Bank gets them certified and then works towards ISO certification based on their knowledge.  Data Engineers, Digital Payments, CISA, CPA, Cyber Security, PMP (Project Management)	
6	Do you perceive any gaps in the 2050 strategic plan in term of propelling/ upskilling the financial sector?	Allocate budget for continuous learning to avoid irrelevance, keep updated, change business model	
7	What skills required in your organization are currently being outsourced to external consultants that you would prefer to be in-house - what is the cost to your organization/ does this inhibit specific areas of growth? Where are external consultants mainly sourced from (regional vs international)? Is there any effort to upskill local staff?	Used to rely on consultants which proved unreliable and expensive, therefore decided to establish the Digital Factory to train a team of engineers and designers.  We still call in consultants from time to time, they work in our program to transfer knowledge and upskill local staff.	
8	What do you perceive as the current key barriers to upskilling your local staff – immigration, costs etc.?	The key barrier is exposure. Some old staff lack ambition and not interested. The young do not know what great looks like, they don't know what banking excellence is. There is need for exposure but also curiosity.  Biggest challenge is that foundation education is shaky and hard to build on.	
9	What challenges have you faced in trying to address the issue of skills development in the financial sector? Is there clarity on who is responsible?	Lack of self-awareness in young people which makes them think they have arrived. Lack of ambition e.g. one being a cashier for 15 years	

10	Who within your organization is responsible for managing future skills development? How aligned is the board & management regarding the issue of skills development?	Have a great L&D team in place and there is great support from the Board and management. We also have an Academy.	
11	What is your experience/level of engagement with sector skills council – is it a useful mechanism/ where do you see the relevance of the sector skills council in addressing your areas of need?	Not aware	
12	Development of new products and services – what specific future upskilling and development is required?	Digitization of all the services	
13	What soft skills gaps exist in your organization (e.g., communication, people skills) and why gaps exist in these areas?	Leadership – lack of transformation and creativity/innovation.  Lack of ambition from the staff	
14	How does your organization bridge technical skills gap among people in the same department/teams/similar function and other departments? For example, gaps between legal/ governance/compliance teams and the investment corporate finance teams.	Collaboration not easy- there is internal competition, but there is lack of understanding certification which help them move in their level. Currently relooking at the KPIs and seeking to balance between individual and group KPIs.	
15	Do you see any skills gaps difference between your organization and your competitors? If yes, what are these gaps and how did the gaps develop? How can the gaps be closed?	Regional banks use HQ staff which makes them more sophisticated. Hence started BK Academy – copied this from Access Bank	
16	How is BK positioning itself in the international competitive environment?	We hire the best and this keeps us UpToDate. Bank has been the leader for years because it understands the context better. When the country has a new strategy, we quickly buy in and support.  On skills they trained 25 young people in the Academy, and they have caught up very well. The plan is to rotate them to various departments to make them accomplished bankers.	

NO.	QUESTIONS	NOTES	COMMENTS
1	What are your critical immediate skills needs and where do you see a lot of demand in the coming years?	Project Finance, Credit Appraisal, Credit Risk, Investment Officers, Risks Officers, Data Scientist, others are the Digital related roles	
2	What skills do you need in your organization that you may not have now and what is your plan around this, i.e., what are your future requirements for talent attraction & upskilling?	<p>The Bank being the only Development Bank in Rwanda requires very unique skills sets which mean that they have to go an extra mile to fill the gaps. They have a fourfold approach:</p> <ol style="list-style-type: none"> <li>1. Coaching &amp; Mentoring through a buddy system where Senior Members working with those below them.</li> <li>2. Large tear fund where staff are sent abroad for training in partnership with several entities which includes the World Bank, EU Investment Bank</li> <li>3. Soft Skills training through a long-term agreement with a service provider. These are need based and are done over a period of 6 weeks based on an identified need and individual motivation.</li> <li>4. LinkedIn which has online training for specific technical needs.</li> </ol>	
3	How does the above differ to your organization's current skills base & what have you done to adapt to your current situation?	Handled above.	
4.	What specific qualifications are critical in your business?	HR, Risk, CFAs, Equity certification is a huge need	
5	How do you perceive the value/necessity of professional qualifications/certification in the financial sector & which specific qualifications?	CPA/ACCA is critical, CFA, Risk related certifications, Information Security, IT Auditors	
6	Do you perceive any gaps in the 2050 strategic plan in term of propelling/upskilling the financial sector?	<p>Not sure how important tertiary education is, as it is possible to use certifications to get good bank employees.</p> <p>However, the biggest issue is basic education 0-12 years especially in basic language and numeracy skills. This leads to a lot of effort being put to upskill those who join the bank. To attract international organizations this is a gap that needs to be closed.</p>	
7	What skills required in your organization are currently being outsourced to external consultants that you would prefer to be in-house - what is the cost to your organization/ does this inhibit specific areas of growth? Where are external consultants mainly sourced from (regional vs international)? Is there any effort to upskill local staff?	Noted for BRD, the opposite is true. They would want to outsource some tasks in order to focus on their core mandate. However, reliable service providers are lacking.	

8	What do you perceive as the current key barriers to upskilling your local staff – immigration, costs etc.?	<p>There is need to categorize service providers e.g., in risk, the scale for a development bank is so much higher. This would increase the transparency in good service providers being brought to the fore.</p> <p>Appreciated what Rwanda Bankers Association is doing through the Academy but there is need to add on courses outside the core area of banks but for starters the bar has been raised.</p>	
9	What challenges have you faced in trying to address the issue of skills development in the financial sector? Is there clarity on who is responsible?	Developing the HR department as a Business Partner which is currently heavily administratively oriented. She noted that Telcos have advanced their HR and IT as their mentality demands innovation.	
10	Who within your organization is responsible for managing future skills development? How aligned is the board & management regarding the issue of skills development?	BRD has staff that handle skill development under the HR Manager.	
11	What is your experience/level of engagement with sector skills council – is it a useful mechanism/ where do you see the relevance of the sector skills council in addressing your areas of need?	Not aware.	
12	Development of new products and services – what specific future upskilling and development is required?	ESG is a key area and BRD is building capacity internally.	
13	What soft skills gaps exist in your organization (e.g. communication, people skills) and why gaps exist in these areas?	<p>We have a long-term agreement with a service provider to handle soft skills training. Some of the existing gaps is English in terms of expression, writing and project appraisal can be 70 pages.</p> <p>Staff also struggle in terms of time taken to put together a document even as small as a short PowerPoint presentation.</p>	
14	How do your organization bridge technical skills gap among people in the same department/teams/similar function and other departments? For example, gaps between legal/governance/compliance teams and the investment corporate finance teams.	This already handled above.	
15	Do you see any skills gaps difference between your organization and your competitors? If yes, what are these gaps and how did the gaps develop? How can the gaps be closed?	<p>Being the only development bank, its needs are unique, and this may not largely apply. The bank is doing a lot to respond to its own needs.</p> <p>However, getting CFOs is a big issue, the other issue is gender. It is said that in the sector women branch managers are less than 20%. Much has been done at Board, Executive and entry level but there is a big gap in the middle. This means that there are many women falling off at the age of 31-32 which is the time most women are getting their second child. She indicated that the BRD has an inhouse ECD centre. This is a major issue that needs to be dealt with.</p>	
16	How is BRD positioning itself in the international competitive environment?	BRD is designed not to compete but to address gaps that are not being addressed in the financial sector. This forces them to always upskill in response to a new area that needs to be handled.	

NO.	QUESTIONS	NOTES	COMMENTS
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>BNR plays a significant role in setting and enforcing standards within the financial sector. This includes approving the appointment of senior leadership positions such as CEOs, CFOs, and Risk Managers, ensuring that individuals appointed possess the appropriate qualifications.</p> <p>To address skills gaps, the BNR has established a dedicated department to support the financial sector. They have taken steps to create skills where they are currently lacking. For example, they develop inspectors internally through specialized training programs. Additionally, the BNR recruits fresh graduates in the field of economics and provides them with financial professional certification and opportunities for further education, such as pursuing a Ph.D.</p> <p>The BNR has also been proactive in collaborating with regional partners and financial institutions such as the International Monetary Fund (IMF). They have organized specific training workshops for CEOs, board members, and professionals in the insurance and microfinance sectors to enhance their skills and knowledge.</p> <p>In terms of building internal skills capacity, the BNR has invested in creating a supportive organizational culture to retain talented staff. They have also partnered with the Rwanda Bankers' Association (RBA) to establish an academy. This academy, developed in collaboration with Belgium and Luxembourg, has already graduated two cohorts of professionals who have undergone a comprehensive curriculum designed to meet the sector's needs</p>	
2	How is the occupational demand list developed & reviewed – how is the market consulted?	Not involved.	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	The value and necessity of professional qualifications in the financial sector are highly regarded. Actuaries, for example, are considered to be in demand but few people in the market have the qualifications and obtaining the Associate of the Chartered Insurance Institute (ACII) qualification is seen as accessible and beneficial.	
4	Where do you see relevance of the sector skills council in support to address your need?	<p>BNR recognizes the importance of the sector skills council in addressing the skills needs of the financial sector. The establishment of the skills council, as part of RFL's role, aims to develop a comprehensive strategic plan spanning five years. The current study serves as an initial step towards this goal. By identifying the specific skills required in the financial sector, the sector skills council can play a crucial role in nurturing and developing these skills.</p> <p>Some of the key areas where the sector skills council can provide support include building skills for financial inclusion and stability. Through collaboration and coordination with relevant stakeholders, the sector skills council can contribute to building a skilled workforce that addresses the specific needs of the financial sector, ultimately promoting its growth and sustainability.</p>	

5.	Which qualifications are critical in the financial sector that we lack today?	Actuarial scientist (qualified) there is none.  IT Security skills  ACCA, CFA,	
6.	Any partnerships & effective coordination across type of institutions/ bodies to resolve current issues – how to avoid conflicting mandates – is this a current issue or how best to avoid in the future?	The creation of the sector skills council to advise both public and private institutions.	
7.	What is your critical immediate skill needs and where do you see a lot of demand in the coming years	Actuaries  Qualified Economist  Data analyst/Scientist & Data protection  Business IT for digital transformation/automation	
8.	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	IT systems (major), financial stability supervision by international technical support, data analysis (outsource in reporting), financial inclusion survey for the Rwanda Sector (a consultant has been outsourced for 3 consecutive years)	

NO.	QUESTIONS	NOTES	COMMENTS
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>The Policy and Market Development department of the Government of Rwanda recognizes the challenges associated with skills development and emphasizes the importance of acknowledging and accepting the skills challenge in the country as a first step towards finding solutions. They have conducted studies in the past and are actively seeking strategies to address the development of rare skills such as actuaries and fund management. This department also chairs the skills council, which plays a vital role in informing decision-making processes related to skills development.</p> <p>One of the key questions they are exploring is why regional countries like Kenya have a surplus of skills and what factors have contributed to this situation. By understanding the drivers behind the skills surplus in neighbouring countries, they aim to identify potential solutions that can be implemented in Rwanda to address the skills gap.</p> <p>MINECOFIN propose a two-pronged approach, consisting of short-term and long-term strategies. In the short term, they suggest focusing on knowledge transfer initiatives. This could involve intentional changes in education providers to align their offerings with the needs of the financial sector. Additionally, engaging external stakeholders for knowledge transfer, such as arranging one-year training programs in countries like Luxembourg, could help address immediate skills gaps.</p> <p>For the long term, MINECOFIN recommends engaging education providers to establish professional departments that are dedicated to developing relevant skills in the financial sector. This would involve fostering strong relationships between educational institutions and industry stakeholders to ensure that the curriculum and training programs are aligned with industry requirements.</p>	
2	How is the occupational demand list developed & reviewed – how is the market consulted?	<p>Rwanda recognizes the importance of specific skills and welcomes individuals with those skills to contribute to the country's development. When attracting professionals in areas such as Fund Management, the terms of reference (TORs) for their engagement explicitly require them to transfer their skills to the local workforce. This transfer of skills is considered crucial in building the required expertise within the market.</p> <p>To ensure compliance with the skill transfer requirements, any challenges or issues that arise in this process are carefully identified and addressed. Rwanda is committed to creating an environment where skills can be effectively transferred and utilized to enhance the local workforce.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>The Jersey model was highlighted as a successful example to consider. In Rwanda, there has been a focus on degrees rather than certification, but the country is open to recommendations that can yield better outcomes. The current approach, such as Technical and Vocational Education and Training (TVETs), has faced challenges with graduates who are not adequately prepared for the market. The Jersey Capital model, which focuses on building skills internally, is seen as a potential alternative worth exploring.</p>	

4	Where do you see relevance of the sector skills council in support to address your need?	<p>The skills council, comprised of various organizations, will play a crucial role in advocating for the necessary skill development initiatives, monitoring progress, and ensuring the implementation of effective strategies.</p> <p>While specific areas such as actuarial, fund management, wealth management, fund administration, sustainable finance, and green finance were mentioned, it is crucial to take a holistic view and consider the skills requirements across all areas of the financial sector. This broader perspective will enable the skills council to develop a comprehensive strategy that addresses the overall skills demand and promotes a balanced and well-rounded approach to skill development.</p> <p>The skills council will need to focus not only on short-term solutions but also on long-term sustainability. This includes considering ways to encourage professionals who have been sent abroad for training to return and contribute to the growth of the sector in Rwanda.</p>	
5.	Which qualifications are critical in the financial sector that we lack today?	<p>Actuarial science certification</p> <p>Fund wealth management</p> <p>ACCA, CFA, CPA, CISI</p> <p>Legal financial</p> <p>Green finance roles</p> <p>Corporate Governance</p>	
6.	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current issue or how best to avoid in the future?	<p>The creation of the sector skills council to advise both public and private institutions.</p>	
7.	What is your critical immediate skill needs and where do you see a lot of demand in the coming years?	<p>The current skill needs in our organization are primarily focused on upskilling our existing staff. Internally, we have established the SPIU fund for learning and development. This fund is designed to encourage our staff to undertake courses that will enhance their skills and knowledge. Recognizing that these courses can be expensive, the fund assists our staff with the registration process and provides access to relevant learning materials.</p> <p>To address the skills needs more effectively, MINECOFIN has provided valuable advice. It suggests pooling funds together and establishing professional departments within universities. By doing so, we can bring in specialized tutors and instructors, reducing the cost burden on individual institutions while ensuring high-quality education and training for our staff.</p> <p>Looking ahead, we anticipate a significant demand for skills in various areas in the coming years. These include areas such as financial technology (Fintech), risk management, regulatory compliance, sustainable finance, and data analytics.</p>	
8.	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	<p>Data managers, Business development. Green finance (outsourced). Short term/Big projects when they need a big number. The cost of course is high. Sometimes the deliverables are met and other times they are not, and you have to bring in other people.</p>	

NO.	QUESTIONS	NOTES	COMMENTS
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>RFL serves as the think tank for MINECOFIN. They have highlighted the importance of enhancing skills in the financial sector, considering that the sector currently contributes 3% to the country's GDP, while in developed markets, the contribution is typically around 10%. RFL has set a target of 11.3% contribution through the KIFC initiative, which aims to attract more investors to Rwanda.</p> <p>RFL recognizes the need for collaboration with various stakeholders to achieve this target. They mention that other financial centres have established skills councils that play a crucial role in identifying skills gaps and developing strategies for implementation. In line with this, the current policy is to create a skills council specifically for the financial sector, which will serve both public and private institutions. The council's mandate will be to identify the skills gaps and formulate strategies to address them effectively.</p> <p>Furthermore, there are plans to establish a financial sector skills levy, which will involve both public and private institutions contributing funds to develop priority skills identified by the council. The aim is to encourage service providers to address the skills gap by bringing in trainers rather than sending staff outside the country for training.</p> <p>RFL is exploring potential partnerships, including the possibility of collaborating with INSEAD, one of the top business schools globally, to establish a presence in Rwanda. Additionally, they aim to mobilize funds from international players such as the World Bank and other institutions to support the development of skills in the financial sector</p>	*last page
2	How is the occupational demand list developed & reviewed – how is the market consulted?	<p>RFL, in collaboration with the Immigration department, has taken steps to update the ODL. However, it is recognized that the ODL should be a dynamic and evolving document that reflects the changing demands of the financial industry. RFL has conducted feasibility studies for the KIFC to identify the specific skills required in the financial sector.</p> <p>As the sector evolves, new skills become necessary to meet emerging challenges and opportunities. Some examples of these skills include Corporate Governance, Anti Money Laundering, and wealth management. RFL acknowledges the importance of staying updated with the changing landscape of the financial sector and ensuring that the ODL reflects the evolving skill requirements of the industry.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>RFL recognizes the importance of professional training and aims to attract reputable training institutions to establish a presence in Rwanda. Cost is often identified as a significant barrier, so efforts are being made to mobilize funds through government and private sector players, as well as seek support from organizations like the IMF. The focus on skills development includes areas such as governance and anti-money laundering. Additionally, there is emphasis on emerging fields like Fintech, beneficial ownership, custodial services, and wealth management. For governance specifically, there is a plan to require board directors to obtain certification, given the significant implications their roles have.</p>	
4	Where do you see relevance of the sector skills council in support to address your need?	<p>The skills council mandate is to identify the skills gap and come up with strategies to implement/close the gap. Previously the sector was working in silos, and it is hoped that there will be better coordination and focused effort. The council has also included training institution and are working to connect them to the market</p>	

5.	Which qualifications are critical in the financial sector that we lack today?	<p>Corporate Governance</p> <p>HR Executives</p> <p>Risk – put in place controls.</p> <p>Data protection, Product/Software engineering</p> <p>Others e.g., tellers are hampered by computer skills so computer literacy is key</p>	
6.	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current issue or how best to avoid in the future?	The creation of the sector skills council to advise both public and private institutions	
7.	What is your critical immediate skill needs and where do you see a lot of demand in the coming years?	RFL focuses on character & commitment when hiring and the team learn on the job. RFL also have in place a budget for training/upskilling	
8.	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	Consultants in tax, investment, global international index, internal law firm to assist in drafting policies, international communication consultant to advertise KIFC on the international market.	

NO.	QUESTIONS	NOTES	COMMENTS
1	What is the current viability of market entry of external players in Rwanda (across sub-sectors banking, insurance, accounting etc.)?	<p>The informant highlighted his own experience as a Rwandan who returned to the country and emphasized the importance of attracting other Rwandans back as well. He stressed the need to create a conducive environment that provides opportunities for them to utilize their skills, whether in employment or starting businesses. This can be achieved by expanding and deepening the market, ensuring there are ample opportunities for Rwandans to thrive.</p> <p>Looking ahead, future policies should continue to foster competition, attract top talent (including diaspora and expatriates) with a focus on skills transfer, and ensure fair treatment and equal opportunities for all employees in the market. This comprehensive approach will help harness the skills and potential of Rwandans and contribute to the overall growth and development of the country.</p>	
2	How is the occupational demand list developed & reviewed – how is the market consulted?	<p>RSE has not been involved in the development and review of the occupational demand list. The informant emphasized the importance of conducting proper consultations with the market to ensure accuracy and relevance. It is crucial to gather insights and input from industry stakeholders and employers to identify the specific skills and qualifications that are in demand.</p> <p>Additionally, the informant highlighted the need to differentiate between knowledge and skills. While knowledge refers to theoretical understanding and expertise in a particular subject area, skills pertain to the practical application and ability to perform specific tasks. Both aspects should be considered when assessing occupational demands and developing strategies to address skill gaps in the market.</p>	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>While having a first degree and a master's degree are important, they are not sufficient on their own. Professional qualifications play a vital role in providing the necessary expertise and knowledge. Certifications like CFA, ACCA, CISI, CPA, CT, and ACII are considered necessary in the field of fund management, pension, insurance and investment banking.</p> <p>For specific roles in the depository and bond trading sectors, short courses and specialized training programs are essential to ensure professionals have the required skills and knowledge.</p>	
4	Where do you see relevance of the sector skills council in support to address your need?	<p>We have been working in silos but there is need for better coordination and closely working with the industry. We need to listen more than talk.</p> <p>Research &amp; Analysts of financial markets across the board for the market. Business developers, economists, statisticians.</p>	

5.	Which qualifications are critical in the financial sector that we lack today?	<p>Actuarial science certification</p> <p>Fund wealth management</p> <p>CFA, CPA, CISI</p> <p>There is a regional curriculum (qualification) in the stock exchange to do</p>	
6.	Any partnerships & effective coordination across type of institutions/bodies to resolve current issues – how to avoid conflicting mandates – is this a current issue or how best to avoid in the future?	The creation of the sector skills council to advise both public and private institutions.	
7.	What is your critical immediate skill needs and where do you see a lot of demand in the coming years	<p>Financial Market Analyst, Business Development, Research. We have them but we need more.</p> <p>Internally, we have a resource centre to train &amp; upskilling.</p>	
8.	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	Consultants: A law firm to develop internal guidelines, through the learning centre, specific experts/professionals are brought in to teach about a specific topic/need.	

NO.	QUESTIONS	NOTES	COMMENTS
1	What are the current & future policies to attract/facilitate financial sector specific skills to Rwanda?	<p>Visa-free entry for Africans: Rwanda has implemented a visa-free entry policy for citizens of African countries, which promotes easier movement and encourages skilled professionals from the continent to explore opportunities in Rwanda's financial sector.</p> <p>Regional and African involvement: Rwanda actively participates in regional and continental initiatives aimed at fostering collaboration and integration. By engaging in these initiatives, such as the East African Community (EAC) and the African Union (AU), Rwanda positions itself as a hub for financial activities and attracts professionals with regional expertise.</p> <p>Legal framework and ease of doing business: Rwanda has made significant changes to its legal system, transitioning from a predominantly civil law system to a common law system. This shift has created a more business-friendly environment and simplified the process of setting up and operating businesses in the country. These legal reforms have played a crucial role in attracting financial sector professionals and encouraging investment.</p> <p>Accessibility and transportation: Rwanda has focused on improving accessibility by reducing restrictions on entry into the country. Additionally, the national airline, RwandAir, plays a vital role in facilitating transportation connections, making it easier for professionals to travel to and from Rwanda for business purposes.</p> <p>Digitization: Rwanda has embraced digitization as a game-changer in the financial sector. By implementing digital solutions and technology-driven platforms, Rwanda has enhanced efficiency, accessibility, and transparency in financial services. This digital transformation attracts professionals who are skilled in emerging technologies and digital finance.</p>	
2	How is the occupational demand list developed & reviewed – how is the market consulted?	We can participate if called upon to but so far we have not been involved in the ODL	

3	How do you perceive the value/ necessity of professional qualifications in the financial sector & which specific qualifications?	<p>Professional qualifications play a crucial role in the financial sector by providing value and addressing the specific needs of the industry. Among the various qualifications, certain ones stand out as particularly important.</p> <p>One of the significant challenges in the financial sector is the lack of exposure to the financial context. This necessitates the presence of professionals with technical expertise who can provide transparency, effectively communicate available opportunities (prospectors), ensure disclosure practices that build confidence, and facilitate proper intermediation.</p> <p>Several specific qualifications are highly relevant in this context. Accountants play a vital role in ensuring accurate financial reporting and compliance with accounting standards. Compliance professionals are necessary to navigate domestic regulations as well as regional and international practices, safeguarding the industry's integrity and reputation.</p> <p>Financial analysts possess specialized skills in analyzing financial data, assessing investments, and providing insights for decision-making. Lawyers with a strong understanding of the market are essential for ensuring compliance with legal requirements and handling complex financial transactions.</p> <p>Furthermore, qualifications such as ACCA and CFA hold significant value in the financial sector. These certifications enhance the credibility and competence of professionals.</p> <p>In addition to these qualifications, there is a need for a critical mass of first-level technicians who can support the technical operations and establish a solid foundation for the industry.</p>	
4	Where do you see relevance of the sector skills council in support to address your need?	If handled well it can have a positive impact but if not, it may end up being part of the bureaucracy. The focus should be on exchange programs and continuous education.	
5	Which qualifications are critical in the financial sector that we lack today?	Response is in Q3 above	
6	Any partnerships & effective coordination across type of institutions/ bodies resolve current issues – how to avoid conflicting mandates – is this a current issue or how best to avoid in the future?	<p>There is need for exposure and continuous education to open staff to what can be done.</p> <p>At the moment there is so much duplication where different Government institutions are focussing on the same thing to achieve the same goal but under different departments.</p>	
7	What critical skills do you need (immediate, short & long term) in your organization that you may not have now or may need and what is your plan around this?	Biggest challenge is in product related area, there is need for more sophisticated products in the market. As above there is need for exposure and specific training. Data handling, data analysis, there is a lack of good data to inform the market.	
8.	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	Outsourcing is done not necessarily because of lack of skills but because public procurement law is designed for outsourcing. This is very expensive and does not encourage knowledge transfer.	

NO.	QUESTIONS	NOTES	COMMENTS
1	What are the current & future policies to attract/facilitate financial sector specific skills to Rwanda?	<p>While RSSB does not directly engage in setting financial policies, it plays a significant role in the financial sector, particularly in terms of driving liquidity for the financial markets. With RSSB deposits accounting for 23% of interbank deposits, it holds a substantial position.</p> <p>As the largest financial institution and institutional investor in Rwanda with a fund worth \$2 billion, RSSB's various transactions and investments have a notable influence on the overall financial landscape of the country.</p>	
2	How is the occupational demand list developed & reviewed – how is the market consulted?	Not relevant	
3	How do you perceive the value/necessity of professional qualifications in the financial sector & which specific qualifications?	<p>While a college level education in the financial field (finance, accounting etc.) may suffice to provide the basics for entry level jobs, professional qualifications alongside real world experience is needed to grow in the roles. Additionally, professional qualifications in the financial sector opens doors for professionals who were not trained in finance at college levels. Professional qualifications in the financial sector are important but don't replace empirical experience that you would obtain by working on a day-to-day basis within a high-level financial institution.</p> <p>The most relevant qualifications in the financial sector are CFA, which is actually more relevant for market finance than corporate finance, and ACCA for accounting.</p> <p>The gold standard for finance professional qualification would be CFA, as not only the exams are technical, covers a lot of key topics, but its curriculum is also frequently updated to keep up with industry trends. There is also a minimum 4 years' relevant work experience to qualify as a CFA charter holder. However, it is important to note that having the charter alone does not negate the importance of (additional) real world experience</p>	
4	Where do you see relevance of the sector skills council in support to address your need?	I am aware of it-by virtue of being a RFL Board member. I'm not sure if RSSB has been involved	
5	Which qualifications are critical in the financial sector that we lack today?	<p>Corporate Finance, Mathematical Finance/Statistics, Data science, and Actuarial science.</p> <p>That said, there seems to be a perception that accounting qualifications (ACCA, CPA etc.) is, to an extent, interchangeable with actual skills required in finance and investments. While these charter holders are experts in matters of preparation of financial reporting, accounting standards etc. - more forward-looking skills are required in the financial sectors. These are the skills that are part of the CFA syllabus, hence that would be the most critical qualification needed. For context, there are more than 100,000 CFA charter holders worldwide. However, that is a small number upon considering how many job seekers apply for investment banking, corporate finance, and asset management roles globally.</p>	

6.	Any partnerships & effective coordination across type of institutions/bodies resolve current issues – how to avoid conflicting mandates – is this a current issue or how best to avoid in the future?	<p>To consider establishing a one-stop center for foreign investors, to ease the process of capital inflow into the country. This is one of the initiatives being undertaken by some countries to encourage investors. Need to cut down the complications and bureaucracy.</p> <p>Good coordination in terms of communication between RFL and RDB</p> <ul style="list-style-type: none"> <li>- RFL to leverage on significant investors in Kigali like RSSB to attract more GPs in Kigali</li> <li>- RFL to set up a steering committee with DFIs to get Rwanda vetted for fund domiciliation that they invest in.</li> </ul>	
7.	What is your critical immediate skill needs and where do you see a lot of demand in the coming years? what is your plan around this?	<p>Corporate finance, quantitative methods and analysis, effective portfolio management, macroeconomic analysis, investment opportunities analysis (fixed income / equities / real estate development), business and financial due diligence, mathematics/statistics for portfolio management.</p> <p>We have different approaches:</p> <p>For instance, currently, we are in discussions with RFL around the establishment of an INSEAD hub in Rwanda that will deliver an Executive Masters in Finance as well as tailored finance courses for different institutions such as RSSB.</p> <p>We also support our eligible staff by paying fees for the CFA exams.</p> <p>For more specialized skills, e.g. Actuarial Sciences, we pay tuition fees for them to study abroad.</p> <p>In terms of policy support, it is important for government to prioritize financial sector skills (including professional services such as law and accounting). This could be in the form of;</p> <p>Tuition subsidies-especially for specialized professional courses.</p> <p>Immigration friendly policies/incentives to attract global talent to bridge the gap.</p> <p>Strong links between academia and the industry- including foreign institutions to deliver specialized financial courses and related fields.</p> <p>Collaborating with industry-banks, investors, to develop comprehensive and relevant training programs.</p> <p>Partnership with global certification bodies with key focus to increase number of Rwandans with relevant certification and ongoing Continuous Professional Development.</p> <p>Showcasing of finance career opportunities at High School and University level.</p>	
8.	What skills are currently being outsourced – consultants etc. completing work that they would prefer to be done in house? If they are there, how costly are they	<p>Investment advisory is currently being outsourced, with a focus on strategic asset allocation (portfolio management perspective). While this exercise is only required once every few years (like a strategic plan review), moving forward the internal team should have the capability to not only carry out the recommendations of the plan, but also to formulate a comprehensive plan by themselves (with proper analysis etc.)</p>	

## ANNEX II: QUANTITATIVE DATA: INSTITUTIONS SURVEY

### Financial Sector Skills Survey (Who is the targeted respondents?)

#### Introduction:

Rwanda Finance Limited (RFL) recognizes that Rwanda's current skills base is a constraint to the growth of this endeavour. It is against this background that Kigali International Financial Center (KIFC) through RFL is conducting a Skills Assessment and developing a Capacity Building Strategy, covering all the sub-sectors of financial industry including, Banking, Insurance, Capital Market, Pension, SACCOs, Collective Investment Schemes, Fund Management, Trusts, Insurance, Accounting and Audit, Legal & Regulatory Bodies, Professional Bodies etc., and their related detailed areas.

Please note that data collected in this survey may be used as comparative data in future projects. Your contribution will help provide Rwanda Finance Ltd. with comprehensive empirical data on the existing and projected human capacity gaps.

If you require confirmation or further details about the research project, you can contact: Rwanda Finance Limited Anita Mutesi, Capacity Building Program Manager (anita.mutesi@rfl.rw)

Thank you for helping us with this survey!

"Your accuracy and honesty in answering these questions for the development of appropriate strategies is greatly appreciated"

This survey should take approximately 10-15 mins to complete.

#### Section 1: Organization Details

##### 1. Please list/identify your type of organization?

- Bank
- Microfinance Institution
- Investment Firm
- Insurance Company
- Pension fund
- Other (Please specify): \_\_\_\_\_

#### Section 2: Professional Staffing

##### 2. What type of professionals are critically needed in your organization? (Please select all that apply from the drop-down list)

- Investment Managers
- Fund Administrators
- Certified Trust and Fiduciary Advisors
- Chartered Financial Analysts
- Securities Analysts
- Legal and Tax Advisors
- Treasury Managers
- Credit Professionals

- o Cybersecurity Analysts/Specialists
- o Data Analysts
- o Actuarial Scientists
- o Underwriters
- o Re-insurance Professionals
- o Fintech Developers

Other, please specify

**2a. For each selected profession, please indicate how many you currently employ in your organization.**

NUMBER CURRENTLY EMPLOYED

**2b. For each selected profession, please indicate how many more professionals you need.**

NUMBER NEEDED

### Section 3: Recruitment Difficulty

3. On a scale of 1-10, please rank the difficulty of sourcing each of the professionals listed in Section 2 within the Rwandan market. 1 being easy and 10 being extremely difficult.

[A matrix or scale rating each professional type]

Professional Type:

Professional Type:

Professional Type:

Professional Type:

Professional Type:

1      2      3      4      5      6      7      8      9      10

**Section 4: Demand for Certifications**

**4a. Which of these certifications is your institution looking for or, is in high demand in your industry. Provide the List of certifications (top 7 )**

- ACCA
- CFA
- CISI
- Certified/ chartered Director
- Chartered Actuarial Scientist
- Certified Compliance specialist
- Chartered Wealth Manager
- Other (Please specify): \_\_\_\_\_

**4b: Certifications**

**5. How many staff in your organization possess the following qualifications/certifications?**

- ACCA
- CFA
- CISI
- Certified/ chartered Director
- Chartered Actuarial Scientist
- Certified Compliance specialist
- Chartered Wealth Manager
- Other (Please specify): \_\_\_\_\_

**5. Regulatory Body Capacity Gaps**

- • If applicable, which areas does your regulatory organization lack adequate capacity? Please select all that apply. Pick as many as needed
- o Knowledge of local legal and regulatory framework governing your industry.
- o Knowledge of international standards and regulation governing the financial sector
- o Knowledge of financial products/services developing as a result of Rwanda’s positioning as an international financial center
- o Knowledge of the latest developments in your industry
- o Knowledge of the local and international licensing framework
- o Knowledge of international governance and risk supervision standards

- o Financial compliance
- o Other (Please specify): \_\_\_\_\_

**6.0: Relevance of the Survey**

6a Did you find this survey useful?

Yes

No

**6b If you found it useful, how frequently would you like to respond to this survey?**

- 6 month
- 12 months
- 18 months
- 24 months

**6c. If yes, in what format?**

- Digital Publication (SMS Link, Email)
- Workshop Presentation
- Paper Publication

**Feedback and Additional Comments (This is not a survey question)**

- • Please provide any other feedback or comments that you feel would be relevant to this survey:

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Submission

Please review your responses before submitting the survey. We thank you for your valuable time and input, which will significantly contribute to our understanding and development of financial professional capacities in Rwanda.

