



India: Capacity Building of the National Skill Development Agency

Project Name	Capacity Building of the National Skill Development Agency
Project Number	46461-001
Country	India
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 8626-IND: Capacity Building of the National Skill Development Agency Japan Fund for Poverty Reduction US\$ 1.50 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Education - Technical and vocational education and training
Gender Equity and Mainstreaming	Gender equity
Description	<p>The proposed TA "Capacity Building of the National Skill Development Agency" is in line with the country partnership strategy, 2009-2012 for India, which aims at supporting India's efforts toward inclusive growth, and the country operations business plan, 2013-2015 for India, which recognizes education as a new sector in Asian Development Bank (ADB) operations in India. The project is fully aligned with Strategy 2020.</p> <p>The project's impact is strengthened skills ecosystem to ensure that 12th Five Year Plan (2013-2018) targets and beyond are met, and its outcome is enhanced capacity of NSDA to guide quality skills development initiatives across central ministries, states, and the private sector.</p> <p>Through this proposed CDTA for National Skill Development Agency (NSDA), ADB will be able to engage with NSDA which has the mandate of ensuring convergence across the various national and state level skill development initiatives, and of building the capacity of SSDMs. There will therefore be significant positive synergies between the proposed CDTA and ADB's loan operations in India. It aims to enhance the employability of the youth of that state by improving the quality and delivery of skills training and secondary education. This loan will help the Meghalaya State Skill Development Mission in scaling up outcomes-based skills training by facilitating PPPs in skills training. It will also support tracer studies and skills-gap analyses to guide the skill development programs.</p>

Project Rationale and Linkage to Country/Regional Strategy

The low employability of India's youth is one of the major binding constraints to inclusive growth. More than 50% of India's population of 1.3 billion is below 25 years, and around 65% is below 35 years in age. Of India's working age population (aged 15 to 59 years) of 431 million, 29% is illiterate and another 24% has studied only until the primary level or below. Only 17% of the labor force has senior secondary (grades 11 and 12) and higher levels (including diplomas, graduates, and above) of education.

It is estimated that 57% of India's youth suffer from some form of unemployability. Surveys show that only 30% of India's information technology (IT) graduates, 25% of engineering graduates, and 15% of finance and accounting professionals are suitable for employment. Currently, most companies have to spend substantial resources for retraining their new recruits which adds to their costs and erodes competitiveness. This poses a major constraint for both Indian companies and for companies from advanced countries such as Japan which are keen to scale up investment in India.

While each year nearly 13 million new workers join the labor force, India's annual skills training capacity is only 5 million. Further, the reach of these training programs is limited, and the quality is often below par. These facilities and programs need to be upgraded and aligned more closely with India's emerging labor market needs and changing economic structure. The Government of India's skills development initiatives are fragmented across 21 line ministries (e.g., Ministries of Labor and Employment; Human Resource Development; Rural Development; Micro, Small, and Medium Industries; Industries and Commerce; Power; and Textiles) leading to duplication of effort and wastage of resources. Most of these government-sponsored training programs are not adequately responsive to the private sector's evolving needs. Moreover, it is difficult to tailor these centrally-driven programs to meet the specific needs and constraints of the 28 states and 7 union territories of India, which are fairly diverse.

The recent establishment of the NSDA as the apex autonomous coordinating body for skills development programs is therefore, a major step in the right direction. NSDA subsumes the Prime Minister's National Council on Skill Development, the National Skill Development Coordination Board, and the Office of the Adviser to the Prime Minister on Skill Development. The Department of Economic Affairs, Ministry of Finance, Government of India is the nodal department responsible for providing planning, logistics and budgetary support to NSDA. The establishment of the NSDA will help to ensure convergence across the skills development programs at the central level being driven by multiple ministries. NSDA will also guide the various state skill development missions (SSDMs), which are mostly nascent, through analytical advice (e.g., benchmarking surveys, tracer studies, and preparation of the required training manuals), and channelize financial support to them in the coming years.

Impact

Improved coordination and quality of skills development programs at the central and state levels

Project Outcome

Description of Outcome

Enhanced capacity of NSDA for quality skills development across central ministries, states, and the private sector

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

1. NSQF operationalized
2. Capacity development program implemented
3. Knowledge product and dissemination workshops conducted
4. Partnership with international vocational development agencies facilitated
5. Improved project management

Status of Implementation Progress (Outputs, Activities, and Issues)

The TA team has made considerable progress across agreed upon outputs, the most significant being on the NSQF roll out front, where state and central-level capacity building has been initiated and kick-off workshops held with four states and four GoI ministries namely _ Odisha, Tamil Nadu, Uttarakhand, Haryana, Ministry of IT & Communication, Ministry of Agriculture, Ministry of Small and Medium Enterprises and Ministry of Industry and Commerce. The team offered each stakeholder a conceptual understanding of NSQF and the operationalization approach and explained in detail the areas of immediate action. As a next step, each stakeholder will constitute a core team and initiate the QF filling process.

There has been only moderate progress on the evaluation study of two GoI skilling schemes. The TA team proposed the HSRT and JSS schemes for evaluation after detailed research and analysis and put forward a strong case for approval with the respective ministries to conduct the studies in specific regions.

As it stands, currently the TA team has a written approval from the Ministry of Tourism for the inclusion of HSRT scheme to be studied. The TA team has initiated interaction with the Ministry of Tourism and identified scheme administrators to be interviewed. The TA team and Ministry of Tourism have agreed upon a communication strategy to reach out to training partners who will be included in the evaluation study and execution has been completed.

With regard to the JAVADA partnership, process of facilitating an interaction has been initiated. Initial rounds of meetings commenced in December 2015 and a plan of action was charted out and next steps agreed upon. After a discussion on the proposed agenda for the Japan visit, it was decided that some of the agenda points will need engagement with the Ministry of Health, Labor and Welfare, Government of Japan. Subsequently a meeting of all the stakeholders namely Embassy of Japan, JICA India Office and HIDA was held between 1-5 February 2016. A study tour was conducted in Japan on 5-10 September 2016.

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design ADB coordinates closely with the Department for International Development (DFID), JICA, World Bank, and other donors while designing its overall assistance program in India. Ongoing dialogue with the Department of Economic Affairs, Ministry of Finance, GOI, ensures that there is no duplication across the donors. In addition, ADB is also holding consultations with other states such as Kerala, Karnataka, Odisha, and Rajasthan.

During Project Implementation TBD

Business Opportunities

Consulting Services A total of 104 person-months of consulting inputs will be provided under the TA: 18 person-months of international and 86 person-months of national consultant services. ADB will engage four individual consultants (for 30 person-months) as well as a firm (for 74 person-months). The selection and engagement of the consulting inputs will be carried out in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The consulting firm will be selected on the basis of a full technical proposal in accordance with quality- and cost-based selection procedures. A quality to cost ratio of 90:10 will be followed.

Procurement All TA-financed goods and equipment such as computers, fax machine, multimedia projector, photocopier, printer, and other required items will be procured in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The procured equipment will be handed over to NSDA upon TA completion.

Responsible Staff

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Timetable

Concept Clearance	30 Oct 2013
Fact Finding	31 Jul 2013 to 08 Aug 2013
MRM	-
Approval	07 Mar 2014
Last Review Mission	-
Last PDS Update	14 Mar 2017

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Mar 2014	15 Jul 2014	15 Jul 2014	30 Apr 2016	31 Mar 2017	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,500,000.00	250,000.00	0.00	0.00	0.00	1,750,000.00	07 Mar 2014	1,169,538.91

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