

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="India"/>	Project Title:	<input type="text" value="Supporting Skill Development in Himachal Pradesh"/>
Lending/Financing Modality:	<input type="text" value="Project Loan"/>	Department/ Division:	<input type="text" value="South Asia Department/ Human and Social Development Division"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The low employability of India's youth is one of the major constraints impeding efforts towards inclusive growth. More than 50% of India's population of 1.3 billion is below 25 years, and around 65% is below 35 years. Of India's working population of 431 million aged 15 to 59 years, 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. India's Twelfth Five-Year Plan, 2012–2017, regards the generation of productive and gainful employment on a large scale to absorb India's growing labor force as being critical for inclusive growth and poverty reduction. The ADB India Country Partnership Strategy, 2013–2017, which aims to support India's efforts towards inclusive growth, recognizes education (with focus on TVET) as a new sector in ADB's India operations.¹ The proposed project will assist the Government of Himachal Pradesh (GOHP) in increasing the employability of the state's youth and improving their employment prospects by modernizing the technical education and vocational training (TVET) institutional framework, aligning all training with the national competency standards laid down in the National Skills Qualification Framework (NSQF), and catalyzing public-private partnerships (PPP) to improve overall effectiveness and outcomes of training.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

See discussion in section C, point 2 below.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** Despite constraints such as its hilly terrain, poor connectivity, and predominantly rural population (90%), HP has shown significant improvement in economic, poverty, education, and health indicators since 2000 owing to the concerted effort of successive governments to invest in infrastructure and improve delivery of basic public services. In 2011, the literacy rate was 83.8% in HP as compared to 74% in India. HP's gross enrolment ratio across elementary, secondary and higher secondary education was 101, 120.3 and 96.1 respectively, which is higher than 97, 76.6 and 52.2 respectively for all states combined.² Despite the increase in enrolment ratios, HP suffers from the problems of low employability of its school and college graduates. The problem of 'educated' unemployment is growing.³ This can be attributed to the outdated and government-dominated TVET system, and the fact that mainstream education at the higher secondary and college levels has little or no alignment with the needs of the market. Consequently, HP's youth are not "market ready" even after graduation. Given low skills and productivity levels, they are not being able to make the transition from primary to secondary and tertiary sector jobs, where remuneration levels are relatively higher.

2. **Impact channels and expected systemic changes.** The project will bring about the desired changes by (i) strengthening the newly established, Himachal Pradesh Skill Development Corporation's capacity to provide demand-linked, NSQF-aligned TVET for formal employment and livelihood development to 65,000 needy youth and informal sector workers of HP; (ii) introducing Bachelor of Vocational Education courses in 10 colleges and expanding NSQF levels 5 to 6 vocational training in selected government and government aided-arts and science colleges. This will offer a defined vocational career path for students going in for mainstream education, and make them "market ready" by the time they graduate; (iii) establishing 25 multi-purpose skilling and marketing centers in rural blocks, and 12 city livelihood centers (CLC) to promote self-employment and entrepreneurship opportunities for the youth; (iv) establishing a Women's Polytechnic with annual training capacity of 300 to offer TVET opportunities for women in trades like pharmacy, electronics, and soft skills, etc.; (v) reforming 12 employment exchanges into centers for career counseling, and creating a statewide job portal to connect trainees with employers, within and outside HP. These interventions will extend the reach of vocational training to under-served parts of HP, and increase its annual training capacity by around 17,400.

¹ ADB. 2013. *Country Partnership Strategy: India, 2013–2017*. Manila.

² Government of India. District Information System for Education (DISE). *DISE Flash Statistics, 2013–2014*. India.

³ The Worker to Population Ratio (WPR), defined as the number of persons employed per 1000 persons, in H.P. is 86% for those with primary education, 67% for those with secondary education (grades 9 and 10), and 60% for those with higher secondary education (grades 10 and 12).

3. Focus of (and resources allocated in) the PPTA or due diligence. The PPTA will help in undertaking district-wise stakeholder consultations, skill-gap analysis, and aspiration surveys to inform the design of TVET and livelihoods development programs. Poverty and gender concerns will be factored into the design of the project.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? HP has seen significant improvement in women's education and health indicators in recent decades. In 2011, the female literacy rate in HP was 76.6% as compared to the all India average of 65.4%. There were 972 females for every 1,000 males in HP as compared to 895 in Punjab, 879 in Haryana, and an average of 943 for India. For the period 2006–2010, the male life expectancy at birth in HP was 67.7 years while that for females was 72.4 years. Despite these improvements, there continues to be certain areas where gender problems are evident. Girls experience higher rates of mortality in younger age groups as compared to the boys. In 2012, the female infant mortality rate was 38 as compared to male infant mortality rate of 35. In 2011–2012, HP's labor force participation rate (LFPR) for rural women was 63%, but only 28% for urban women. The project seeks to address this problem.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No Please explain.

At present in HP, there is only one Polytechnic for women in Kandaghat. It offers training in pharmacy, electronics, and soft skills, and has been fairly successful in terms of placements. A new Polytechnic for women (with hostel accommodation) will be established under this project. It will have an annual training capacity of 300. Further, gender-sensitive vocational courses will be introduced in arts and science colleges where a high proportion of women are enrolled. The project will reform 12 employment exchanges into centers for career counseling. Specific counseling modules will be designed to inform women of the opportunities and career choices offered by TVET. Further, the proposed rural training cum marketing centers and the urban CLCs will provide a platform where rural and urban women can get a package of services including vocational training, counseling and marketing. All these initiatives will expand TVET training choices including in the services sector, and ensure that over time, women are well prepared to tap into the opportunities offered by the growth and diversification of HP's economy. This will also help to push up the LFPR for urban women in HP.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain

To ensure that the LFPR for women does not decline with urbanization and diversification of HP's economy, the project will establish a Women's Polytechnic, introduce gender-sensitive vocational courses in arts and science colleges where a high proportion of women are enrolled, and design specific counseling modules to inform women of the opportunities and career choices offered by TVET.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The primary stakeholders (and beneficiaries) of the project are HP's urban and rural youth belonging to low-income households, and students studying in government colleges and TVET institutions. Secondary stakeholders include the parents of these youth, teachers, vocational training providers, potential employers, non-government organizations, GOHP, and industry. The project is being designed in close consultation with these stakeholders. While undertaking the technical and safeguards assessment, additional consultations will be held focusing in particular, on women, poor students, and their families.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Please see responses to questions 1 and 3 in this section.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Local non-government organizations (NGOs) will be consulted during project design. Their assistance will be taken to organize focus group discussions focusing on the needs, concerns, and aspirations of women and poor students. NGOs will also be involved, as required, in designing and implementing counseling and training programs for livelihood and entrepreneurship development initiatives focusing on the rural and urban poor.

Information generation and sharing (H) Consultation (H) Collaboration Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

Please see response to section VI, question 2.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

The project will not involve any involuntary land acquisition. GOHP has given assurance that the proposed infrastructure will be built within premises owned by Government Departments.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

- Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

- Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment (H) Adhering to core labor standards Labor retrenchment

Spread of communicable diseases, including HIV/AIDS (N/A) Increase in human trafficking (N/A) Affordability

Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability

Creating internal social conflicts Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

The project will reach out to the poor youth of HP, and give them the opportunity of enhancing their vocational skills and overall employability. It will enable them to compete successfully for decent jobs within and outside the state.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact; (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?

Yes No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?

The reasons behind HP's problem of educated unemployment, and in particular, the relatively lower LFPR for urban females will be assessed. The scope for designing specific skills courses for girls and for the poor (i.e. those focusing on self-employment and small business development) will be examined. Possible remedial measures such as continued outreach efforts, career counseling, and involvement of NGOs will be considered for increasing the participation of the poor, especially girls. An experienced gender specialist will be engaged under the PPTA. Gender concerns have been included into the terms of reference of the TVET Training specialists, M&E and survey specialist, and Counselling and Communication Specialist.