



India: Supporting Education and Skills Development Facility

Project Name	Supporting Education and Skills Development Facility				
Project Number	53277-001				
Country	India				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 9844-IND: Supporting Education and Skills Development Facility</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 1.00 million</td> </tr> </table>	TA 9844-IND: Supporting Education and Skills Development Facility		Technical Assistance Special Fund	US\$ 1.00 million
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Technical Assistance Special Fund	US\$ 1.00 million				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions				
Sector / Subsector	Education - Education sector development				
Gender Equity and Mainstreaming	Effective gender mainstreaming				
Description	<p>The Asian Development Bank (ADB) has been supporting education and skills development initiatives at the state-level, with the aim of increasing employability and productivity of the youth entering the labor force. Each of the state-level projects endeavors to improve the overall TVET system by upgrading training infrastructure, enhancing teacher qualifications, and delivering skills programs to respond to demands from local labor markets. A new program has been proposed to address the quality of basic and secondary education and strengthen learning outcomes from school education both at the central and state levels.</p> <p>It is important to enhance the capacity and competencies of executing and implementing agencies in order to ensure quality project designs, effective project implementation, and overall portfolio performance. For successful outcomes of ADB support in the areas of education and skills development, consolidating and sharing the lessons and good practices are essential together with dedicated capacity building for project designs and implementation. The proposed transaction technical assistance (TA) facility would bridge capability gaps, apply best practices, and foster emerging innovative solutions for common challenges in the sector. Capacity building support will be provided through the provision of incremental consulting services to enhance project preparatory and implementation capacity. The TA facility is listed in the country operations business plan (COBP) for India, 2020-2022, with the title Supporting Education and Skills Development Capacity.</p> <p>The TA facility will provide project preparation, capacity building, undertaking due diligence, and increasing readiness for pipeline projects, including those identified in COBP for India, 2020-2022. It will initially support:</p> <ul style="list-style-type: none"> (i) Supporting School Education Program in India (tentative title) (ii) Kerala Skills Development Project (tentative title) (iii) Supporting State-Level Skills Development Project (for Assam) <p>These projects are all in the education sector, including TVET subsector, and have similar due diligence requirements. The TA facility approach is suitable as it will enhance project preparation efficiency, enable the incorporation of lessons in new project designs, and improve project implementation readiness by (i) allowing the same experts and consultants to be mobilized for similar due diligence activities; (ii) facilitating learning on project processing and implementation across different projects; (iii) creating synergies from working with common expertise and improving knowledge transfer; and (iv) strengthening coordination among various technical inputs and capacity building opportunities. Overall, this TA facility will reduce transaction costs by minimizing the resources of standalone transaction TA projects.</p> <p>The TA facility will also support ongoing projects as required and agreed with the project's respective executing and implementing agencies. The ongoing skills development projects face unanticipated challenges, which require resources for additional assessments or mitigation measures. Given still evolving implementation capacity, similar technical and training support can be provided to ensure project sustainability and transfer of capacity and knowledge. Indicative ongoing projects to be supported are:</p> <ul style="list-style-type: none"> (i) Supporting Human Capital Development in Meghalaya (ii) Supporting Additional Skills Acquisition Program in Kerala (iii) Himachal Pradesh Skills Development Project (iv) Odisha Skills Development Project (v) Madhya Pradesh Skills Development Project 				

Project Rationale and Linkage to Country/Regional Strategy

Macroeconomic context. India's economy has been growing fast, achieving about 7% annual growth since FY2012. The economic structure has also been transformed over time. For FY2019, the services sector was the largest contributor to gross domestic product at 54%, followed by the industry sector (30%) and the agriculture and allied sector (16%). However, 44% of the overall workforce are still engaged in the agriculture sector, while 32% are employed in the services sector and 25% in the industry sector. Most new jobs today are being created in nonfarming sectors, but a shortage of skilled workers is a critical constraint in meeting education and skills requirements of emerging jobs. With rapid technology advances across the sectors, low-skilled jobs are more affected by automation and artificial intelligence, while new emerging jobs demand higher levels of cognitive and technical skills. To achieve sustained and inclusive economic growth, India needs to develop a well-educated, high-skilled workforce who can meet changing skills requirements in the local and global labor markets.

Progress and issues in education. Over the past 15 years, a series of reforms and initiatives by the government expanded access to schooling, achieving near universal enrollment at the primary level. Secondary education also made notable progress, with its gross enrollment rate increasing from 52% to 80% at the secondary level and from 29% to 56% at the senior secondary level during 2006-2016. Gender parity has been observed across many states, although the extent of gender gap varies by state. Yet, increased access to schooling has not necessarily resulted in improved learning among students. National studies indicate that many students do not acquire competencies expected at each grade level, especially basic foundational literacy and numeracy. Low levels of learning at the early grades lead to high dropout rates and low completion rates as students move onto higher grades. Learning deficiencies during school years eventually show up as weak skills when the youth enter the labor force. Focused efforts are needed to improve learning outcomes from primary to secondary education and to lay strong foundation for human capital development.

Quality and relevance of skills training. In preparing the youth for successful transition into the labor force, technical and vocational education and training (TVET) plays a critical role by imparting job-ready skills that enhance their employability and productivity. TVET is especially important for those from low socioeconomic backgrounds, who may not pursue a higher education. However, fewer than 5% of India's workforce has undergone formal skills training. In addition, TVET across many states has not kept pace with changing market demands, resulting in low job placement rates among graduates from TVET programs such as industrial technical institutes. Inadequate quality and limited industry relevance of TVET courses are the major issues, which result from outdated training infrastructure and curricula, limited qualifications of trainers, and lack of credible assessment and certification systems. To ensure young people are equipped with requisite skills in line with labor market demands, significant improvements are needed in the TVET system.

Demographic challenges and opportunities. India is undergoing a major demographic transformation, with a declining share of the school-age population (aged 5-19) and the increasing working-age population. By 2026, India will have the world's largest and youngest working-age population (aged 15-59) with 900 million people, who will make up nearly two-thirds of the total population. With the largest youthful workforce, India has a great opportunity to capitalize on the demographic dividend for accelerated growth. To reap this demographic dividend, the country needs to equip its young population with quality education and requisite skills to build a productive and competitive workforce. Education and skills of the workforce are also essential in promoting technological progress and innovation, which in turn drives the economy to move up the value chain from simple to more sophisticated, high-value production.

Impact	
Project Outcome	
Description of Outcome	
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	The TA facility will initially provide 77 person-months' consultant inputs (24 person-months international and 53 person-months national) to support the preparation of ensuing projects and implementation of ongoing projects. The consultants will be recruited using individual consultant selection method and deployed based on the requirements of each project being prepared or implemented. Individual consultant selection, rather than firm selection, is considered appropriate, because the TA facility involves multiple activities that are not necessarily interdependent and will require a varied range of consultants and services. The TA facility will also recruit one firm to carry out demand assessments for ensuing skills projects, which may include a tracer study and/or an employer study depending on the availability of existing data and information. Since the work is considered a small assignment, the firm will be recruited using consultant qualification selection and bio-data technical proposal. ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.
Procurement	Not Applicable.
Responsible ADB Officer	Chong, Fook Yen
Responsible ADB Department	South Asia Department
Responsible ADB Division	Human and Social Development Division, SARD
Executing Agencies	Department of Economic Affairs Ministry of Finance Room No. 40-B North Block New Delhi-110001, India
Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	04 Nov 2019
Last Review Mission	-

TA 9844-IND

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	-	0.00

Project Page <https://www.adb.org/projects/53277-001/main>

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