



# Philippines: Supporting Innovation in the Philippine Technical and Vocational Education and Training Project

Project Name	Supporting Innovation in the Philippine Technical and Vocational Education and Training Project	
Project Number	54332-001	
Country	Philippines	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Supporting Innovation in Philippines Technical and Vocational Education Training System	
	Ordinary capital resources	US\$ 100.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Partnerships	
Sector / Subsector	Education - Technical and vocational education and training	
Gender Equity and Mainstreaming	Gender equity	
Description	<p>Like other countries in the Asia Pacific region, the Philippines has been prioritizing the modernization and reform of its technical and vocational education and training (TVET) system to enhance competitiveness and boost human capital development. The Philippine Development Plan, 2017-2022 emphasizes the need to improve the quality of TVET training programs, integrate 21st century competencies, strengthen certification, encourage research and innovation, and forge stronger links between TVET institutes and industry to increase employability of Filipino youth.</p> <p>The Philippines has amongst the youngest demographic profiles in the world: around 57% of the population is less than 30 years old. Between 2012-2019, the Philippines economy grew at an annual rate of 6.5%, and unemployment fell from 7.0% to 5.1% and underemployment from 20.0% to 14.0%. The share of wage and salary workers grew from 57.2% to 65.0% during the same period. However, the mismatch between the employment rates of the agriculture and industry sectors and their contribution to gross domestic product (GDP) remains. In 2019, agriculture, industry, and services accounted for 23.5%, 18.9%, and 57.7% of total employment, while contributing 8.8%, 30.2%, and 61.0%, respectively, to GDP. Around 50% of the work force is employed in elementary occupations involving simple and routine tasks, service and sales (e.g., wholesale and retail trade, repair of vehicles, transportation and storage, accommodation, and food services), agriculture, forestry, and fisheries, where productivity is low and prospects for career advancement are limited. Women are likely to withdraw from the labor force in their childbearing age, which limits their prospects of going back to the workforce due to the care work.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Due to the adverse effects of the coronavirus disease (COVID-19) pandemic and the community quarantines, the unemployment rate increased from 5.4% (2.4 million) to 10.0% (4.6 million), while underemployment increased from 13.6% (5.8 million) to 17.3% (7.1 million) between July 2019 and July 2020 (footnote 2). Labor force participation rate is lower among women at 48.5% compared to men at 75.3%. Vulnerable employment worsened from 36.1% to 39.6% among the employed over the same period. This is pushing up poverty, inequality, and informalization of the work force. To tap its demographic dividend effectively, equip its youth and workforce with the skills required for a technology and knowledge-driven globalized economy, and help the economy bounce back from COVID-19, the Philippines needs to modernize and reform its TVET system on a priority basis.</p> <p>The Technical Education and Skills Development Authority (TESDA), the apex TVET agency of the Philippines, was established by the Technical Education and Skills Development Act, 1994. Based on this Act, TESDA is mandated to: (i) formulate a comprehensive skills development plan offering different types of training modalities; (ii) coordinate and monitor TVET programs; (iii) train mid-level human resources; (iv) approve skills standards and tests; (v) develop an accreditation system for TVET institutions; (vi) fund TVET programs; (vii) support training of trainers programs; (viii) reform the apprenticeship program; (ix) involve industry and employers in skills training; (x) develop and administer training incentives; (xi) organize skills competitions; (xii) manage skills development funds; and (xiii) devolve training functions to local governments (as appropriate).</p>	
Impact	Global competitiveness and readiness of Filipino mid-level workforce strengthened, and TVET used more effectively as an instrument for social equity for workforce inclusion and poverty reduction	
Outcome	Employability of TVET graduates and equitable access to quality TVET improved	
Outputs	<p>The Philippines' skills development ecosystem modernized</p> <p>TVET training made more demand-driven and industry-led</p> <p>Selected TESDA TTIs upgraded and modernized into industry-responsive innovation centers</p> <p>TESDA's management capacity and resilience strengthened</p>	
Geographical Location	Nation-wide	
<b>Safeguard Categories</b>		
Environment		B
Involuntary Resettlement		C
Indigenous Peoples		C
<b>Summary of Environmental and Social Aspects</b>		
Environmental Aspects		

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Chakravarti, Shamit
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Human and Social Development Division, SERD
Executing Agencies	Technical Education & Skills Dev. Authority (TESDA) East Service Road, South Superhighway Fort Bonifacio, Taguig

Timetable

Concept Clearance	26 Nov 2020
Fact Finding	09 Dec 2020 to 10 Dec 2020
MRM	03 Feb 2021
Approval	-
Last Review Mission	-
Last PDS Update	27 Nov 2020

Project Page	<a href="https://www.adb.org/projects/54332-001/main">https://www.adb.org/projects/54332-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=54332-001">http://www.adb.org/forms/request-information-form?subject=54332-001</a>
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