



India: Jharkhand Skills Development Project

Project Name
Jharkhand Skills Development Project
Project Number
59385-001
Country / Economy

- India
- Project Status
Proposed
- Project Type / Modality of Assistance
- Loan
- Source of Funding / Amount

Loan: Jharkhand Skills Development Project	
Source	Amount
Ordinary capital resources	US\$ 91.00 million

Sustainable Development Goals

- SDG 1.1
- SDG 4.3
- SDG 8.6
- Sector / Subsector
- Education /

Gender
Gender equality objective
Description

Located in eastern India, Jharkhand is India's mineral hub, accounting for approximately 40% of total mineral reserves and contributing 1.62% to the national gross domestic product. The state holds significant national shares of coal (28%), iron ore (26%), and copper (18.5%) driving steady economic expansion with a projected gross state domestic product (GSDP) of \$64 billion for fiscal year (FY) 2026. Despite this substantial resource endowment, the state exhibits a jobless growth pattern where industrial output from mining and mining related industry does not translate into broad-based employment, as these sectors employ only 10.15% of the total workforce. This imbalance has created a dual economy where high-value production co-exists with a large population (50.02%) dependent on low-productivity agriculture and limited economic diversification.

Project Rationale and Linkage to Country/Regional Strategy
Jharkhand's education system is struggling to prepare its youth for the modern economy. Despite improvements in literacy, only 34.4% of the population aged 15 and above have completed secondary education, 7.4% hold a graduate degree, and 1% have postgraduate or higher qualifications. Formal vocational training currently reaches only 2.64% of the population in the state in comparison to 3.9% at the national level. These factors severely undermine the state's workforce readiness and threaten its ability to harness a significant demographic dividend, especially as nearly half of its projected population is expected to be under the age of 30 by 2036.

The labor market reflects these educational deficits and the state's broader poverty challenges. A high rural Labor Force Participation Rate (LFPR) of 55.2% (43.4% female and 67.9% male) is driven by financial necessity, compelling youth to enter the labor market prematurely in low-productivity and informal roles. 68% of workers are self-employed (86.8% female and 55.4% male) and 19% are engaged in casual labor (5.9% female and 27.9% male), trapped in a cycle of low earning potential. Youth exclusion is further evidenced by a large "Not in Education, Employment, or Training" (NEET) population of 28.5%, which rises to a staggering 45.9% for females , highlighting significant gender-based barriers to economic and skills development participation.

Impact
Outcome
Outputs
Geographical Location
Jharkhand

Poverty Reduction and Inclusion

Poverty Reduction and Inclusion Classification

Summary Poverty and Social Analysis

Jharkhand is among the poorest states in India, with about 28.8% of its population living in multidimensional poverty, rising to 34.9% in rural areas.¹² The state has a large vulnerable population, comprising of 26.3% Scheduled Tribes (ST), 12.1% Scheduled Castes (SC), and nearly 76% of people living in rural areas (Census 2011). Poverty is closely linked to low levels of education and skills.¹³ While literacy has improved to 66.4%, only 34% of the population has completed secondary education (28.1% in rural areas), and just 0.3% hold a diploma or certificate (0.1% in rural areas), indicating a limited skills base.¹⁴ These gaps are more pronounced in rural and tribal areas. Access to skills training remains a key challenge. Training centers are often located far from where people live, requiring travel with limited public transport. Financial constraints, including travel costs, and loss of wages, further restrict participation. Low learning levels from poor schooling, language barriers (especially English), and limited awareness of training and job opportunities add to the problem. Weak infrastructure and capacity in rural training institutes also affect training quality, leading to a large share of the workforce in low-productivity, informal jobs with limited upward mobility.¹⁵ Youth exclusion is also high, with about 28.5% of those aged 15-29 NEET, including higher shares among young women (45.9%) and rural youth (29.2%),¹⁶ further indicating weak school-to-work transitions and a lack of industry-relevant skills. Jharkhand has 79 government ITIs across all 22 districts, including many high-poverty areas. While enrolment broadly reflects population shares (SC: 10.6%, ST: 23.7%, OBC: 13.2%, economically weaker sections: 8.6%, persons with disabilities: 1.1%), gaps in access, participation, and completion remain for disadvantaged groups. The project, classified as a Poverty and Inclusion Element (PIE), aims to strengthen the TVET system by improving access to upgraded training and industry-relevant skills, thereby enhancing youth employability in the formal sector. It will support capacity building, better teaching resources, and improved training quality. Wider benefits include a more skilled workforce, higher incomes, and stronger local economic development. A poverty and social analysis will be conducted as part of due diligence to identify risks and ensure targeted support for disadvantaged groups.

Environment and Social Requirements

Risk Classification

Substantial

Applicable Environment and Social Standards

- ESS1: Assessment and Management of Environmental and Social Risks and Impacts
- ESS2: Labor and Working Conditions
- ESS3: Resource Conservation and Pollution Prevention
- ESS4: Health, Safety, and Security
- ESS5: Land Acquisition and Land Use Restriction
- ESS6: Biodiversity and Sustainable Natural Resources Management
- ESS7: Indigenous Peoples
- ESS8: Cultural Heritage
- ESS9: Climate Change
- ESS10: Stakeholder Engagement and Information Disclosure

Summary of Environmental and Social Aspects

Project Participation and Engagement

During Project Design

During Project Implementation

Contact

Responsible ADB Officer

Saraogi, Namrata

Responsible ADB Department

Sectors Department 3

Responsible ADB Division

Human and Social Development Sector Office (SD3-HSD)

Executing Agencies

Department of Labor, Employment, Training & Skill Development

Timetable

Concept Clearance

-

Fact Finding

12 Sep 2025 to 12 Sep 2025

MRM

-

Approval

-

Last Review Mission

-

Last PDS Update

22 Jul 2026

Funding

Project Page	https://www.adb.org/projects/59385-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=59385-001
Date Generated	05 August 2026

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.