

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
<p>1. Technical</p> <p>The placement targets may not be achieved fully.</p> <p>Job opportunities within Himachal Pradesh may remain limited owing to the state's narrow manufacturing base.</p> <p>Some of the trained students, especially those from rural areas, may not want to migrate out of the state even when offered placement.</p> <p>Systemic challenges such as weak capacity of training service providers and assessment agencies may affect the quality of training and assessment.</p>	<p>S</p>	<p>(i) HPKVN has held several rounds of consultations with industry associations, chambers of commerce, and sector skills councils to ensure that the training programs are aligned to demand within and outside the state. A memorandum of understanding was signed between HPKVN and 21 sector skills councils.^a This partnership and ongoing coordination with the industry bodies will enable HPKVN to tap internship and employment opportunities so that the placement targets can be met.</p> <p>(ii) The project will fund a menu of short-term and long-term vocational training and livelihood development programs in growth areas to expand job opportunities for all youth. Ongoing consultations with industry associations and sector skills councils will ensure that the training programs are relevant and aligned to market demand.</p> <p>(iii) The RLCs and CLCs to be established under the project will widen choices for rural youth in terms of relevant livelihood and business development support to improve their earning opportunities within Himachal Pradesh. Career counseling and placement services will be improved through the model career centers to meet the varying aspirations of the state's rural and urban youth, and to link them to relevant job opportunities.</p> <p>(iv) Surveys covering 6,455 youth (3,295 boys and 3,160 girls) and multiple focus group discussions were undertaken during project design to gauge youth aspirations and map these against the trades in demand.</p>	<p>HPKVN and other implementing agencies (DOHE, DOTE)</p> <p>The implementing agencies will be assisted in their work by the PMC and M&E consulting firms to be engaged under the loan. The PMC firm will have several TVET specialists for enforcing quality in the training programs. The M&E firm will undertake tracer surveys and evaluation studies to ensure that the training programs are relevant and demand-driven.</p>

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		<p>(v) Career counseling and placement services will be improved by upgrading 11 employment exchanges to MCCs. The project MIS will be linked to India's National Career Services portal to enable trained youth to compete for jobs within and outside Himachal Pradesh.</p> <p>(vi) Two consulting firms (PMC and M&E) will be mobilized under the loan to assist the implementing agencies in planning, executing, and tracking the performance of the training programs. They will assist HPKVN in selecting good quality training providers and assessment agencies, and in supervising their work.</p>	
2. Financial Management			
While HPKVN has already taken steps to enhance financial management and accounting systems, it is still a relatively new entity and will have to strengthen its financial reporting and internal controls further as project activities are scaled up.	M	<p>(i) The Financial Management Action Plan includes the development of a comprehensive financial and accounting manual and use of computerized accounting software.</p> <p>(ii) An experienced financial management consultant will also be fielded as part of the PMC firm to be engaged under the loan.</p>	HPKVN
3. Procurement			
Staff for handling procurement functions as per ADB standard bidding documents and ADB guidelines for selection of contractors, goods, and consulting services is limited.	M	<p>(i) HPKVN has engaged a full-time procurement officer for the project, who has been working closely with ADB-funded procurement consultants on the advance contracting packages.</p> <p>(ii) An experienced procurement consultant will also be fielded as part of the PMC firm to be engaged under the loan. He or she will provide additional assistance to HPKVN and other implementing agencies.</p> <p>(iii) Staff of the implementing agencies will participate in the procurement-related training programs</p>	HPKVN and other implementing agencies (DOHE, DOTE)

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		periodically conducted by the ADB India Resident Mission.	
4. Safeguards			
<p>The project is category B for environment, and category C each for involuntary resettlement and indigenous peoples.</p> <p>The civil works involved are relatively small. However, HPKVN currently does not have any dedicated safeguard officer who can liaise with the PWD and other departments to ensure that the requirement of ADB's Safeguard Policy Statement (2009) are adhered to.</p> <p>The moderate risk rating refers only to the environment safeguards. With respect to social safeguards, the risk rating is low.</p>	M	<ul style="list-style-type: none"> (i) An ADB-funded environmental and social safeguard consultant has been working closely with HPKVN and other implementing agencies since early 2016. He has screened all the sites. He has also explained the requirements of the Safeguard Policy Statement to counterpart staff. (ii) A comprehensive ESMF has been prepared. IEEs were prepared for several sample sites. (iii) A safeguard cell will be established in HPKVN. It will draw on officers from the PWD. (iv) Experienced environmental and social safeguard consultants will be fielded as part of the PMC firm to be engaged under the loan. (v) Staff of the implementing agencies will participate in the safeguard-related training programs periodically conducted by the ADB India Resident Mission. 	HPKVN and PWD
5. Operational			
Multiple implementing agencies resulting in slow coordination at times	M	<ul style="list-style-type: none"> (i) In Himachal Pradesh, the additional chief secretary of finance is also responsible for the planning function. Since DOP is the executing agency for the proposed project, it will control budget allocation and activities across all implementing agencies. (ii) The chief secretary of the Government of Himachal Pradesh heads the PSC. The HPKVN board of directors is headed by the chief minister and includes key ministers and senior civil servants. This organizational structure will ensure high ownership and visibility of the project, and seamless coordination across the implementing agencies. (iii) The PSC, PMU, and PIUs have been established and are fully functional. 	<p>HPKVN and other implementing agencies (DOHE, DOTE)</p> <p>The implementing agencies will be assisted in their work by the PMC and M&E consulting firms to be engaged under the loan.</p>

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6. Tracking results			
Difficulty in tracking project outcomes for all 65,000 trainees in terms of formal placements and improved livelihoods	M	(i) An M&E firm will be mobilized early on under the loan. It will establish detailed baselines and then track the outcomes of all training programs. It will work closely with HPKVN and DOES in this regard. (ii) The comprehensive project MIS will also help the M&E firm in its work.	HPKVN and DOES with the help of the M&E and PMC firms
Overall	M		

H = high, S = substantial, M = moderate, L = low.

ADB = Asian Development Bank; CLC = city livelihood center; DOES = Department of Economics and Statistics; DOHE = Department of Higher Education; DOP = Department of Planning; DOTE = Department of Technical Education, Vocational and Industrial Training; ESMF = environmental and social management framework; HPKVN = Himachal Pradesh Kaushal Vikas Nigam; IEE = initial environmental examination; M&E = monitoring and evaluation; MCC = model career center; MIS = management information system; PMC = project management consulting; PMU = project management unit; PIU = project implementation unit; PSC = project steering committee; PWD = Public Works Department; RLC = rural livelihood center; TVET = technical and vocational education and training.

^a HPKVN has already signed a memorandum of understanding with 21 sector skills councils, e.g., agriculture, automotive, electronics, health, hospitality, life sciences, retail, and tourism.

Source: Asian Development Bank.