

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	Himachal Pradesh Skills Development Project
Lending/Financing Modality:	Project loan	Department/Division:	South Asia Department Human and Social Development Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general intervention

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

India's Three Year Action Agenda, 2017–2018 to 2019–2020 emphasizes 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.^a However, the low employability of its youth is one of the major constraints impeding India's efforts toward ensuring that the growth process is inclusive. Nearly 50% of India's population of 1.23 billion is younger than 25 years of age, and around 65% is younger than 35.^b Of India's labor force of 470 million aged 15–59 years, 29% is illiterate and another 24% has studied only up to the primary level or below. Around 6.7% of the labor force has completed senior secondary school. Only 10% of the labor force has diplomas and graduate degrees.^c The Asian Development Bank (ADB) country partnership strategy, 2018–2022 for India, which aims to support the country's efforts toward inclusive growth, recognizes education (focusing on technical and vocational education and training [TVET]) as a new sector in ADB's India operations.^d

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. Despite constraints such as hilly terrain, poor connectivity, and predominantly rural population (90%), Himachal Pradesh has shown significant improvement in its socioeconomic, education, and health indicators since 2000. It is the result of concerted efforts of successive governments in investing in infrastructure and improving the delivery of basic public services. In 2011, the literacy rate was 83.8% in Himachal Pradesh, compared with 74.0% for the whole of India. The gross enrollment ratios were 100% across elementary, 107% across secondary, and 95% across higher secondary education, which compares favorably with the averages of other states (96%, 80%, and 56%).^e Nonetheless, Himachal Pradesh suffers from the low employability of its school and college graduates. In 2014, the worker–population ratio^f was 70% for those with primary education, 50% for those with secondary education (grades 9 and 10), and 47% for those with higher secondary education (grades 10 and 12), which points to the problem of “educated unemployment”.^g The reason lies primarily in an outdated and government-dominated TVET system, and the fact that mainstream education at the higher secondary and college levels is of weak quality and not adequately aligned with the needs of the market. Consequently, Himachal Pradesh's youth are not “market-ready” even after graduation.

2. Beneficiaries. The needy rural and urban youth of Himachal Pradesh, aged 18–35 years, will be able to access good-quality TVET training and livelihood development programs aligned to India's National Skills Qualification Framework (NSQF). Improved counseling and placement services will enable them to gradually make the transition from the primary to the secondary and tertiary sectors, where job prospects are better, or establish their own small businesses.

3. Impact channels. The proposed project will assist the Government of Himachal Pradesh in increasing the employability of the state's youth, and improving their employment prospects. It will provide a menu of short-term and long-term training and livelihood development opportunities to boost the employability and improve the employment prospects of the needy rural and urban youth of the state, aged 18–35 years. It will (i) modernize and reform the state's TVET institutional framework and build its capacity to provide market-relevant, NSQF-aligned skills training for formal employment and livelihood development to around 65,000 needy youth and informal sector workers over the project period; (ii) expand the state's TVET facilities and improve access for those living in small towns and rural areas; (iii) upgrade employment exchanges into centers for career counseling; and (iv) strengthen industry engagement to ensure that the TVET programs remain relevant and of high quality and are properly funded. These interventions will extend the reach of TVET to the underserved segments of Himachal Pradesh, and increase the annual training capacity by around 13,000.

4. Other social and poverty issues. Please refer to the Sector Assessment for details.^h

5. Design features. Section III-B provides details about specific project components that seek to address the key poverty and social issues highlighted above.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. The primary stakeholders (and beneficiaries) of the project are the state'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, nongovernment organizations, and industry. The project has been designed in close consultation with these stakeholders. An aspiration survey covering around 6,500 youth (49% of them were girls) was conducted across all the 12 districts of the state.ⁱ The feedback received has informed the types of training programs that will be funded under the project. While undertaking a safeguard assessment of each subproject site where training facilities will be constructed, consultations were held with representatives of local communities.

2. Civil society organizations. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

Information gathering and sharing Consultation Collaboration Partnership

3. Participation plan

Yes No

Section IX, part E of the project administration manual (PAM) provides the communication strategy.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: gender equity

A. Key Issues. Himachal Pradesh has seen significant improvement in women's education and health indicators in recent decades. In 2011, it had 972 women for every 1,000 men compared with 895 in Punjab, 879 in Haryana, and an average of 943 for India. The women working-age population (15–59 years) in Himachal Pradesh was 65.7%, which is higher than the men working-age population (63.1%). During 2006–2010, the average life expectancy at birth was 67.7 years for men, and 72.4 years for women. Despite these improvements, gender inequality in education and work participation persists. According to the 68th Round National Sample Survey of India, in 2011–2012, the workforce participation rate in Himachal Pradesh was 87% for rural men and 73% for urban men.^j It was 63% for rural women but fell sharply to 28% for urban women. As the state continues to urbanize and the share of the service industry in its gross domestic product increases compared with agriculture, it is necessary to expand the TVET opportunities for its women. The project seeks to tackle this problem as elaborated in the sector assessment and section B below.

B. Key Actions

Gender action plan Other actions or measures No action or measure

Himachal Pradesh currently has only one polytechnic for women, in Kandaghat in the southern part of the state, which has an annual training capacity of 300 and hostel facilities for 210 women, and offers training in pharmacy, electronics, and soft skills. Under the project, a new polytechnic for women will be established in the town of Rehan in northern Himachal Pradesh. It will offer diplomas in civil engineering, architectural assistantship, electrical engineering, and computer engineering. It will have an annual training capacity of 720 and hostel facilities for 120 women. This will expand the reach of TVET training to the women residing in the hilly, northern parts of the state. The six city livelihood centers (CLCs) and seven rural livelihood centers (RLCs) to be established under the project will provide a platform where urban and rural women will get a package of services, including vocational training, counseling, and marketing. The CLCs will provide gender-separated hostel facilities, thereby expanding access for those living in small towns and rural areas. The project will upgrade 11 employment exchanges into model career centers (MCCs) to build awareness among youth about TVET opportunities. The MCCs will undertake gender-sensitive outreach and counseling sessions to cater to the different needs and aspirations of women and men rural and urban youth.^k By linking the MCCs to India's National Career Services portal, the management information system (MIS) will enable the trained and certified youth of Himachal Pradesh to access job opportunities within and outside the state. Gender-sensitive vocational courses will be introduced in arts and science colleges where a high proportion of women are enrolled. All these initiatives will expand TVET training choices, including in the service industry, and ensure that women are gradually well prepared to tap into the opportunities offered by the growth and diversification of Himachal Pradesh's economy. Overall, the project will contribute to the Sustainable Development Goals 4 ("ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"), 5 ("achieve gender equality and empower women and girls"), and 8 ("promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all").

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES^l

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The Government of Himachal Pradesh has assured ADB that the proposed training facilities will be built within premises owned by it. No new land will be acquired, nor will anyone be displaced in anticipation of ADB funding. This was confirmed during project due diligence. An environmental and social management framework was prepared to guide future selection of subproject sites to exclude potential category A and B projects.

2. Strategy to address the impacts

3. Plan or other actions

Resettlement plan Combined resettlement and indigenous peoples plan
 Resettlement framework Combined resettlement framework and indigenous peoples
 Environmental and social management system planning framework
 arrangement Social impact matrix
 No action

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. Lahaul Spiti and Kinnaur are two districts in the northern part of Himachal Pradesh where tribal people are in the majority. Given the high altitude, inhospitable terrain, sparse population, and poor connectivity of these districts, no civil works are planned in areas of tribal concentration within these districts. All training programs funded under the project will be voluntary. Hence, there will not be any adverse effect on the tribal population. The project activities will be assessed through the environmental and social management framework, and any activity with a potentially adverse impact on indigenous people will be excluded.

Is broad community support triggered?

Yes No

2. Strategy to address the impacts	
3. Plan or other actions	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's, region's, or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).

Unemployment Underemployment Retrenchment Core labor standards

2. **Labor market impact.** By modernizing, reforming, and scaling up Himachal Pradesh's TVET system, the project will enhance the employability and improve the employment prospects of the state's youth. Several project components—e.g., a new polytechnic for women, establishment of CLCs with hostel facilities for women trainees, and expansion of short-term vocational training programs in jobs that are of interest to women—will help increase their workforce participation rate. The component on recognition of prior learning will enable informal sector workers to get certified and earn better wages. The project will help in gradually overcoming the problems of underemployment and unemployment in Himachal Pradesh.

B. Affordability. All training programs will be offered at subsidized government rates.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): NA

Communicable diseases Human trafficking

Others (please specify) _____

Risks to people in project area. Not applicable.

VI. MONITORING AND EVALUATION

1. **Targets and indicators.** The results indicators in the design and monitoring framework pertaining to the number of trainees will be disaggregated by gender. The proportion of trainees with disabilities will also be tracked.

2. **Required human resources.** A consulting firm with experience in monitoring and evaluating skills development projects will be engaged under the loan. It will work closely with the Department of Economics and Statistics, and the Himachal Pradesh Kaushal Vikas Nigam to prepare a baseline, and then, monitor the outcomes of the training programs. The findings will help the implementing agencies in improving the design and execution of future training, counseling, and placement services.

3. **Information in the PAM.** Section IX of the PAM provides details on how the gender, social dimensions, safeguards, and results indicators will be monitored over the project period.

4. **Monitoring tools.** A comprehensive project management information system will be designed to collect sex-disaggregated information on the training programs. The project management consulting firm to be engaged under the loan will have a monitoring consultant to prepare periodic reports covering activities and outputs of the project.

^a Government of India, National Institution for Transforming India. 2017. *Three Year Action Agenda, 2017–2018 to 2019–2020*. New Delhi. <http://niti.gov.in/writereaddata/files/coop/ActionPlan.pdf>

^b Government of India, Ministry of Home Affairs. 2011. *2011 Census Data*. Delhi. <http://www.censusindia.gov.in/2011-Common/CensusData2011.html>

^c Santosh Mehrotra. 2014. *India's Skills Challenge*. New Delhi: Oxford University Press. Page 4.

^d ADB. Forthcoming. *Country Partnership Strategy: India, 2018–2022— Accelerating Inclusive Economic Transformation*. Manila

^e Government of India, District Information System for Education. *DISE Flash Statistics, 2015–2016*. New Delhi.

^f The worker–population ratio measures the number of employed people aged 15–59 as a share of the population in that age group.

^g Government of India, Ministry of Labor and Employment. 2014. *Employment and Unemployment Survey, 2013–2014*. New Delhi.

^h Sector Assessment (Summary): Education (accessible from the list of linked documents in Appendix 2 of the main text).

ⁱ Aspiration Survey of Himachal Pradesh Youth (accessible from the list of linked documents in Appendix 2 of the main text).

^j Government of India, Ministry of Statistics and Programme Implementation, National Sample Survey Office. 2014. *68th Round National Sample Survey of India, 2011–2012*. Kolkata. http://mospi.nic.in/sites/default/files/publication_reports/nss_report_554_31jan14.pdf

^k Counseling and Communication Modules (accessible from the list of linked documents in Appendix 2 of the main text).

^l See section VII of the PAM for a discussion of safeguards issues (accessible from the list of linked documents in Appendix 2 of the main text).

Source: Asian Development Bank.