



# Initial Poverty and Social Analysis

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May 2018

## Sri Lanka: Science and Technology Human Resource Development Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 14 May 2018)

Currency unit	–	Sri Lanka rupee/s (SLRe/SLRs)
SLRe1.00	=	\$0.00634
\$1.00	=	SLRs157.80

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
IT	–	information technology
MOHEH	–	Ministry of Higher Education and Highways
SJP	–	University of Sri Jayewardenepura
STEM	–	science, technology, engineering and mathematics
UGC	–	University Grants Commission
SY	–	school year

## **NOTE**

In this report, “\$” refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Sri Lanka	Project Title:	Science and Technology Human Resource Development Project
Lending/Financing Modality:	Project Loan	Department/Division:	South Asia Department Human and Social Development Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Upgrading human capital, becoming a knowledge economy, increasing productivity and competitiveness, and pursuing strategic public and private investments are major government targets to realize economic growth and achieving upper middle-income status. Asian Development Bank's (ADB) support to achieve this goal through the two major pillars of country partnership strategy, 2018–2022—strengthening the drivers of growth and improving the quality of growth—are integrally embodied in the proposed assistance. It also supports government's more recent development framework of Vision 2025, which aims to increase the access to tertiary education, drive the nation to become a digitally empowered economy, and enhance the quality and relevance of high education promoting increased access and employability.<sup>a</sup> It further assists developing university infrastructure and introducing private public partnership for education service delivery, highlighted in Public Investment Program (2017–2020).<sup>b</sup> It emphasizes the equal learning and employment opportunities for women and will promote rural integration. Expanding more employment-oriented programs, the proposed assistance will address challenges in youth unemployment, low female labor force participation as well as poverty and marginalization among rural households.

**B. Poverty Targeting**     General Intervention     Individual or Household (TI-H)  
 Geographic (TI-G)     Non-Income MDGs (TI-M1, M2, etc.)

#### C. Poverty and Social Analysis

##### 1. Key issues and potential beneficiaries.

An estimated number of 5,000 students from four public universities (University of Kelaniya, Rajarata University, Sabaragamuwa University, University of Sri Jayewardenepura) will benefit from the project during its implementation period of five years. An unaccounted number of future university students and staffs will continue to benefit beyond the project implementation period. Private and public employers, more specifically the private companies that required professionals in the applied science and technology fields, will benefit from more qualified graduates. Research and innovation activities in the faculties will also impact expansion of private sector businesses and operations.

Sri Lanka's aspiration to gain upper middle-income status needs to be bolstered by a dynamic contribution of improved and relevant higher education. This demands its current higher education enrolment rate of 21%, which is well below the average rate of 44% for upper middle-income countries and 23% of lower middle-income countries, to be dramatically augmented. The government aim to increase the university admission from 26,000 in 2015 to 50,000 in 2020, and the proposed assistance will contribute to such efforts.

The current and future enrollees of these technology faculties will equip themselves with quality, relevant, and transferable skills demanded on a more globalized and technology-driven world of work. It will narrow the existing substantial mismatches between demand for and supply of high-skilled workers and professionals. The modernization of the higher education delivery and expansion of its participation rates will become realistic with better participation of private sector in its delivery. In addition to enhanced access, regulated and standardized delivery of private higher education will improve education through competition and resource mobilization. Policy support, such as subsidized loans to access private higher education, will establish effective links among poverty reduction, education, and gainful employment, removing structural inequalities that trap people in poverty.

##### 2. Impact channels and expected systemic changes.

The proposed assistance will further improve the higher education system through (i) increasing enrolment in public universities; (ii) diversifying curricula to award degree programs in job-oriented courses; (iii) improving the quality and relevance of existing art degree programs by introducing information technology; and (iv) facilitating private sector investment in higher education. These changes will have significant impact on the students from poor households and marginalize geographic locations as they get market-oriented skills to be employed. Two of the proposed four public universities are located in rural areas (Sabaragamuwa and Rajarata) while university students from poor households will also have access to other two universities in Colombo. The project will also contribute to Sustainable Development Goal 4: *Quality Education*, Goal 5: *Gender Equality*, and Goal 8: *Decent Work and Economic Growth*. It will also mobilize international and national technical expertise to the selected universities to strengthen program focus and develop quality curricula.

##### 3. Focus of (and resources allocated in) the project preparatory technical assistance (PPTA) or due diligence.

Consultants to conduct due diligence were fielded to carry out environmental impact and social safeguard assessments on proposed infrastructure development. Other reviews including economic analysis, and gender analysis will be conducted by ADB staff during project preparation.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?  
 Despite satisfactory gender parity in some education sector indicators, major inequalities persist. Female students outperform male students at the secondary education level, and outnumber them at the undergraduate level (62% of total undergraduates are female). However, female students' predominance in arts streams (82.2% of arts stream students admitted to undergraduate courses in 2015 are female), and male students' overrepresentation in science, technology, engineering and mathematics (STEM) streams demand attention. Gender stereotypes deeply rooted in the cultural psyche of the family, school, and society create a major blockage for girls to select STEM-related courses. There is not only a lack of guidance and encouragement by parents, teachers and adults but also consistent discouragement for selecting such courses.
- From employment perspectives, although the country's unemployment rate decreased to 4.2 (male: 2.7%, female: 6.8%), youth unemployment rates stay alarming with 18.3% of youth aged 15 to 24, and 9.8% of youth in the age group of 25 to 29 being unemployed (third quarter 2017). The rates are higher among women with 23.9% and 17.4% being unemployed in the above age groups respectively. When comparing unemployment rates with education levels, largest proportion of unemployment is among educated (advanced level or above) women, which is 10.8%. Lower female labor force participation (FLFP) has been a constant social and economic issue which remains at or lower 37%.<sup>c</sup> Barriers to improve FLFP are found both in the supply side - time, skill, mobility, capital, and information constraints – and demand side - discrimination at interviews and workplace. Existing norms and culture regarding women's status and role in the family and society shape both types of constraints.
2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?  Yes  No
- Key areas that the proposed project, should address for mainstreaming gender include: increasing women's participation in the STEM programs; ensuring those female graduates have fair access to employment, and transforming social norms and attitudes that restrict women's enrolment in STEM programs and relevant jobs. The project can also contribute to the implementation of the recommendations by the Prime Minister's Task Force to increase female labor force participation.
3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  
 Yes  No
4. Indicate the intended gender mainstreaming category:  
 GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.
- The main stakeholders of the project are the Ministry of Higher Education and Highways, University Grants Commission, Ministry of Science Technology and Research, Ministry of Development Strategies and International Trade, Board of Investments, universities, private education providers, private and public sector employers, university students and their parents. Communities adjacent to the proposed faculties will also benefit from the new business that will be generated from the student influx. Key stakeholders were consulted to identify the nature of the development need, the availability of resources (such as land for infrastructure construction), and partner capacity. Further consultations will be held during project design stage, especially with female and male students, lecturers and education providers, employers, and civil society organizations.
2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?
- Creating a market-oriented workforce and addressing current major skill gaps require engaging education providers, employers and policy makers in a common platform for dialogue, experience sharing and decision making. The university admission (non-arts courses) is based on merit and district quota through advanced level (A/L) general certificate of education (GCE) qualification exam. The admission system has a consideration for under privileged district in university admission system, but empowering women to enhance skills and be employed in the science and technology fields require career guidance, mentoring, and even establishing quota systems. Women's economic empowerment and increasing FLFP also demand engaging men and boys – at the family, community and institution levels – who are often the gate keepers for women to enter and continue in the labor markets. A sound stakeholder communication strategy will support information dissemination to rural and excluded communities to educate them on the benefits and opportunities of the project. In recent consultations with the civil society organizations and academia on the country partnership strategy, the requirement for career guidance and life skill development of the university students was emphasized to enhance their employability.

<p>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?</p> <p><input type="checkbox"/> Information generation and sharing <input type="checkbox"/> Consultation <input checked="" type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Partnership</p> <p>Civil society organizations working on gender equality, social inclusion, and private sector engagement would include chambers of commerce, women's organizations and the International Labor Organization. Effective collaborations and partnerships with such organizations already working in the area of FLFP, technical education and employability can underpin better impacts.</p>
<p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Participation of the poor and excluded during the project design is important to identify strategies and approaches in addressing constraints related to expanding science and technology education opportunities and employment constraints to students from rural and vulnerable groups.</p>
<p><b>IV. SOCIAL SAFEGUARDS</b></p>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (one local government official's residence is relocated for the proposed development in Rajarata University)</p> <p>The due diligence assessments will confirm the extent of impact on people's access to main road and forest resources for proposed development for Sri Jayewardenepura and Sabaragamuwa Universities.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>There are no indigenous people within the project area per ADB Safeguard Policy Statement.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> Increase in human trafficking (L)</p> <p><input checked="" type="checkbox"/> Affordability (L) <input checked="" type="checkbox"/> Increase in unplanned migration (L) <input checked="" type="checkbox"/> Increase in vulnerability to natural disasters</p> <p><input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>HIV/AIDS awareness program will be provided to laborers and adjacent communities, including use of awareness materials displayed and distributed to workers and dwellers in the project area.</p>
<p><b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?</p> <p>Consultants are mobilized to conduct due diligence on environment and social safeguards.</p>

<sup>a</sup> Government of Sri Lanka. 2017. *Vision 2025, A Country Enriched*. Colombo.

<sup>b</sup> Government of Sri Lanka, Ministry of National Planning and Economic Affairs, Department of National Planning. *Public Investment Program 2017-2020*. Colombo.

<sup>c</sup> Government of Sri Lanka, Ministry of National Policies and Economic Affairs, Department of Census and Statistics. 2017. *Sri Lanka Labor Force Survey, First Quarterly Report 2017*. Colombo.