SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bhutan	Project Title:	Skills Training and Education Pathways Upgradation Project	
Lending/Financing Modality:	Project Grant	Department/ Division:	South Asia Department/ Human and Social Development Division	
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Poverty targeting: ge		lucivo Growth	Strategy and Country Partnership Strategy	
Bhutan has achieved remarkable socioeconomic progress and poverty reduction arising from robust economic growth. Poverty incidence declined from 23.2% in 2007 to 12.0% in 2012 to 8.2% in 2017. ^a Despite this, inequality has remained high, signaling the need to make growth more inclusive. The rate of poverty in rural areas (11.9%) is significantly higher than urban areas (0.8%). ^b Technical and vocational education and training (TVET) is an important tool to improve prospects for jobs and livelihoods, and contributes to alleviating poverty. The project is aligned with the priorities of Bhutan's draft Twelfth Five-Year Plan, 2018–2023 that stresses the creation of productive and gainful employment. The plan has set an ambitious target of reducing poverty below 5% through skills development and other targeted poverty alleviation programs. The TVET Blueprint, 2016–2026 refers to increasing productivity and				
tackling poverty, especially for those living in rural areas. The Education Blueprint, 2014–2024 outlines priorities for enhancing education quality, including strengthening technical and vocational education in schools. The project is supportive of the objectives of the country partnership strategy for Bhutan, 2014–2018 of the Asian Development Bank (ADB).				
	e Poverty and Social Analysis	during Projec	t Preparatory Technical Assistance or Due	
Diligence				
 Diligence 1. Key poverty and social issues. The project has pro-poor and gender-sensitive dimensions. The majority of students taking up TVET come from families in which the head of household has little or no education and an agro-framing background.^c The skills training opportunities in the project can be accessed by poor and rural youth. 2. Beneficiaries. The main beneficiaries will be the youth of Bhutan not able to afford and/or avail themselves of tertiary education. They will receive skills development in technical training institutes (TTIS).^d through private sector training providers, and in the seven premier schools. The project provides opportunities to rural youth and is gender inclusive: 32% of students enrolling in TTIs, private sector training programs, and school TVET programs will be female; 40% of secondary students benefiting from information and communication technology (ICT) interventions and career counseling will be female; and 30% of trainers receiving professional development opportunities will be female. 3. Impact channel. The project will support enhanced access to and improved quality of training, particularly benefiting youth, which will lead to greater employability and workforce participation. Secondary school students will have greater access to skills development. The project, by improving training opportunities for women, youth with disabilities, and rural youth, will enhance their potential for gainful employment and economic and social status. The productivity and competitiveness of industries and/or the private sector will increase with an adequate supply of this group. 4. Other social and poverty issues. Studies highlight social and institutional barriers faced by people with disabilities. Targeted interventions by civil society organizations (CSOs) are foreseen to provide skills development to this group. 5. Design features. The project will increase access to, quality of, and relevance of TVET, and will also improve				
-		AND EMPOW	ERING THE POOR	
 Participatory approaches and project activities. The project includes social marketing campaigns to increase awareness on skills training opportunities to poor youth, particularly women. The project will adopt consultation mechanisms with industry and employers to make training more relevant. Regular consultations with CSOs will enhance social inclusion. The design and monitoring framework (DMF) includes seven gender-related indicators relating to access to skills development in TTIs and in secondary schools, career guidance and access to ICT-enabled learning, capacity of female trainers, and on-the-job training. Civil society organizations. The project will include partnership with credible CSOs to deliver skills training to 				
youth with disabilities to increase their employability. 3. 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 (H) ☑ Consultation (H) ☑ Collaboration (M) ☑ Partnership (M) 4. Participation plan. A participation plan will not be prepared, as the needs and concerns of girls, women, and youth with disabilities are already reflected in the various outputs of the project, as described above. ☐ Yes. ☑ No 				
Gender mainstreaming category: effective gender mainstreaming A. Key issues. Despite gender equity in school education up to grade 10, women in Bhutan continue to lag behind in terms of their social, political, and economic empowerment. Recent data from the Ministry of Labor and Human Resources show that the female labor force participation rate is 53.7% compared to males at 71.7%. There are gender gaps in transition rates to higher secondary education and in performance in science, technology, engineering, and mathematics subjects. Gender gaps also exist in TTI enrollment. In Bhutan, rural women, students with disabilities, and single female-headed households are the most vulnerable.				
In the project, 32% of residential facilities will be reserved for female students in line with the target to increase their enrollments in TTIs and in TVET courses in the seven pilot schools. Training delivery through private sector training providers will include mandatory targets for females and people with disabilities. Social marketing and advocacy will be undertaken to encourage poor and female students to avail themselves of free TVET opportunities and to break gender stereotypes. Female secondary school students will benefit from equal opportunities for career guidance and ICT foundational skills. Timely guidance to girls in secondary schools is crucial to ensure that they are able to choose courses that lead to employability and decent jobs. The project will support courses that are popular among females while also having employment potential. These include courses in tourism and hospitality, tailoring/dressmaking, food packaging, information technology (IT) and IT-enabled services, design, and animation. In addition, the project will encourage female students.				
B. Key actions. A gender action plan has been developed to promote gender equality and social inclusion in the skills development sector and to enhance women's empowerment and meaningful participation in the economy. This includes affirmative actions to support women in skills development, including in nontraditional and futuristic occupations, which will increase access to better livelihoods and wages for girls and women. There are seven gender-specific targets/indicators in the DMF. Provisions have been made for a gender expert to provide support on an intermittent basis as part of the project management unit to effectively mainstream gender equality objectives in the project in addition to gender focal points at each project management unit, the TTIs, and the TVET pilot schools. Gender action plan Other actions or measures No action or measure The gender action plan seeks to ensure effective gender mainstreaming in all elements of the project. The project seeks to empower women with improved access to TVET and to increase their workforce participation, earning capacity, and participation in nontraditional and modern occupations.				
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES				
A. Involuntary Resettlement	Safeguard Category: 🗌 A 🔄 B 🛛 C 🛛 🗍 FI			
 Key impacts. None. Strategy to address the impacts. Not applicable. Plan or other Actions. The project entails no land acquisition, resettlement, or any physical and economic displacement. Improvements to buildings and facilities will take place within existing campuses/premises owned by the government. Resettlement plan Combined resettlement framework and indigenous peoples plan Environmental and social management system arrangement No action 				
B. Indigenous Peoples	Safeguard Category: 🗌 A 🔄 B 🖾 C 🔄 FI			
1. Key impacts. None.				
Is broad community support triggered?	🖂 No			
2. Strategy to address the impacts. Not applicab				
 3. Plan or other actions. Bhutan does not have any officially defined "indigenous peoples." The project's inclusive lens will ensure that poor and vulnerable students from different parts of the country will have access to skills development and training. No indigenous people, as per ADB's Safeguard Policy Statement (2009), will be affected by the project. Indigenous peoples plan 				
Indigenous peoples planning framework	plan			
Environmental and social management system arrangement	Combined resettlement framework and indigenous peoples planning framework			

	□ Social impact matrix □ Indigenous peoples plan elements integrated in			
L	No action project with a summary			
_	V. ADDRESSING OTHER SOCIAL RISKS			
	 A. Risks in the Labor Market 1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). ☑ unemployment (M) ☑ under employment (M) ☑ retrenchment (L) ☑ core labor standards (L) 			
	2. Labor market impact. The project will indirectly contribute to decent jobs in line with the country's overall development thrust. Interventions for career guidance, on-the-job training, and job placements will help to tackle unemployment and underemployment risks. Partnerships with the private sector for training and job placements and the involvement of employers in developing courses and training will improve employability of the trainees. The development of a skilled workforce among Bhutanese youth will contribute to alleviating skills shortages. Such initiatives will help Bhutan harness the potential of its young workforce.			
	B. Affordability			
	All training programs will be offered free of cost by the government. In addition, monthly stipends will be paid to the trainees at the TTIs and private training institutions at the existing 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): ○ Communicable diseases (L) ○ Human trafficking (L) ○ Others: Safety of trainees during on-the-job training. Health and safety provisions in TTIs and schools (M) 2. Risks to people in project area. Not applicable.			
	VI. MONITORING AND EVALUATION			
	 Targets and indicators. The results indicators will be disaggregated by sex as per the DMF. A TVET management information system (MIS) will track female trainees from disadvantaged backgrounds and trainees with disabilities. Gender- and socioeconomic-disaggregated reporting will be included in a new web-based MIS. Required human resources. Gender focal points will be nominated in the Ministry of Labor and Human Resources and the Ministry of Education. A gender and inclusion consultant will be hired for 5 months, spread over the project period, to implement, monitor, and report on the gender action plan. Information in the project administration manual. The gender action plan and its monitoring are included in the project administration manual. Monitoring tools. Sex-disaggregated reporting will be included in the proposed TVET MIS and other reporting to ADB. Third-party monitoring of gender action plan activities and indicators will be undertaken through the Gender Equality Monitoring System. 			
	 ^a Government of Bhutan, National Statistics Bureau. 2007. <i>Bhutan Poverty Analysis Report (PAR) 2007.</i> Thimphu; Government of Bhutan, National Statistics Bureau. 2012. <i>Bhutan PAR 2012.</i> Thimphu; and Government of Bhutan, National Statistics Bureau. 2017. <i>Bhutan PAR 2017.</i> Thimphu. ^b Footnote 1. The Gini coefficient in Bhutan was 0.35 in 2007, 0.36 in 2012, and 0.38 in 2017. ^c Government of Bhutan, Ministry of Labor and Human Resources. 2016. <i>Bhutan TVET Sector Assessment, Blueprint Working Paper.</i> Thimphu. A family background survey of TVET graduates indicated that 63.5% of respondents come from families where the head of household has no education, and 47.8% from families where the head of household is engaged in agro-farming. ^d TTIs participating in the project are located in the far east (Rangjung), in the central region (Chumey), in the west (Khuruthang and Samthang), and in the capital city (Thimphu). All TTIs offer free training together with free residential facilities, thus ensuring affordability of training among members of poor communities. Sources: Government of Bhutan, Ministry of Labor and Human Resources. 2016. <i>Labor Force Survey Report 2012.</i> Thimphu; Government of Bhutan, National Statistics Bureau. 2007. <i>PAR 2007.</i> Thimphu; Government of Bhutan, National Statistics Bureau. 2017. <i>PAR 2017.</i> Thimphu; Government of Bhutan, National Statistics Bureau. 2017. <i>Bhutan Living Standards Survey Report 2012.</i> Thimphu; Government of Bhutan, National Statistics Bureau. 2017. <i>Bhutan Living Standards Survey Report 2012.</i> Thimphu; Government of Bhutan, National Statistics Bureau. 2017. <i>Bhutan Living Standards Survey Report 2017.</i> Thimphu. 			