



# Bhutan: Support to Skills Development Reform

Project Name	Support to Skills Development Reform				
Project Number	54464-002				
Country	Bhutan				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6778-BHU: Support to Skills Development Reform</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 500,000.00</td> </tr> </table>	TA 6778-BHU: Support to Skills Development Reform		Technical Assistance Special Fund	US\$ 500,000.00
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Technical Assistance Special Fund	US\$ 500,000.00				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development				
Sector / Subsector	Education - Technical and vocational education and training				
Gender Equity and Mainstreaming	Gender equity				
Description	<p>Bhutan achieved 5.9% annual gross domestic product (GDP) growth on average during the Eleventh Five Year Plan (2013-2018), principally contributed by the hydropower and tourism sectors. However, tourism was one of the hardest hit industries during this coronavirus disease (COVID-19) pandemic. As a result, GDP growth is estimated to contract 3.4% in 2021, and the youth unemployment rate almost doubled in 2020 (22.6%) from 2019 (11.9%), a record high for the country. Youth unemployment is more challenging for women (25.4%) and urban areas (33.3%) in 2020, and 19.0% of unemployed youth reported that they were laid off due to the COVID-19 pandemic.</p> <p>The skills shortages are a critical constraint on private sector development in Bhutan. An estimated 110,000 Bhutanese will enter the labor market from 2016 to 2026 and equipping these youth with emerging skills is a supply side challenge. With a relatively high job placement rate of 76% for TVET graduates during 2003-2018, TVET has a role to play. Labor market demand has been weak during the pandemic, but some industries such as construction need national skilled workers urgently because foreign skilled workers returned to their home countries. TVET graduates are much needed, not only for addressing COVID-19 impacts now but also for developing a critical mass of technicians and professionals for the future. However, TVET faces challenges on limited enrollment and instructor capacities. Pathways are also restricted and social stigma attached to TVET did not motivate youth to take up skills development courses. The stereotypes and social norms on the types of jobs women should do also produced imbalance on course selection and enrollment for women.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>The proposed transaction TA facility will support project preparation, capacity development, due diligence, and improved readiness for pipeline education and skills development projects that are included in the country operations business plan (COBP) as 2022 and 2024 project pipelines as of now, as agreed with the government during the TA facility's timeframe. It will also support ongoing STEPUP implementation. The TA facility is aligned with (i) ADB's strategy 2030; (ii) TVET Blueprint 2016-2026; (iii) TVET reform strategic plan, and (iv) Sustainable Development Goal 3 to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>The TA facility will support strategic policy advisory and technical inputs on a range of education and skills development issues, strategy and operational plan development, feasibility study preparations including assessment of financial management, procurement, curriculum, pedagogy, evaluation, and competency standards as well as economic and financial analysis. The TA facility will also develop capacity by sharing international good practices and fostering innovation. In particular, the TA facility will bring international expertise not available in-country in the areas of curriculum on emerging skills areas, pedagogy for blended learning, TVET-industry linkages, TVET instructor capacity development. The TA facility is listed in the COBP for Bhutan, 2021-2023, with the title Preparing Transformative Approaches to Skills Development Project (TVET). The TA facility approach is suitable as it will enhance project preparation efficiency and project implementation readiness for two education and skills development project pipelines by (i) allowing the same experts to be mobilized for similar due diligence activities, (ii) facilitating learning on project processing and implementation across different projects, (iii) creating synergies from working with common expertise and improving knowledge transfer, and (iv) strengthening coordination and synergy among various technical inputs and capacity building efforts. Overall, this TA facility will reduce transaction costs compared to resources required for separate stand-alone transaction TA projects.</p>				
Impact					
Project Outcome					
Description of Outcome					
Progress Toward Outcome					
Implementation Progress					
Description of Project Outputs					
Status of Implementation Progress (Outputs, Activities, and Issues)					
Geographical Location	Nation-wide				
Summary of Environmental and Social Aspects					
Environmental Aspects					
Involuntary Resettlement					
Indigenous Peoples					
Stakeholder Communication, Participation, and Consultation					
During Project Design					
During Project Implementation					

Business Opportunities	
Consulting Services	ADB will engage the consultants, including Resource Persons, following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. The TA facility will require 23.5 person months of international and 92.0 person-months of national consultant inputs including a firm to support the ongoing Skills Training and Education Pathways Upgradation Project and pipeline project in the country business operations plan such as Pathways for Emerging Skills and Jobs Project and Strengthening Institutional Capacity for Innovation and Digital Transformation Project. A firm will also be engaged using consultants qualification selection method and individual consultants using individual consultant selection method.
Procurement	Not applicable.
Responsible ADB Officer	Hayashi, Ryotaro
Responsible ADB Department	South Asia Department
Responsible ADB Division	Human and Social Development Division, SARD
Executing Agencies	Ministry of Education PO Box 112, Thimpu, Bhutan Ministry of Labour and Human Resources Thongsel Lam, P.O. Box 835 Thimphu Bhutan
Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	21 Sep 2021
Last Review Mission	-
Last PDS Update	21 Sep 2021

## TA 6778-BHU

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
21 Sep 2021	-	-	31 Mar 2024	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	12 Oct 2021	0.00

Project Page	<a href="https://www.adb.org/projects/54464-002/main">https://www.adb.org/projects/54464-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=54464-002">http://www.adb.org/forms/request-information-form?subject=54464-002</a>
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