



## India: Supporting Additional Skill Acquisition Program in Kerala

Project Name	Supporting Additional Skill Acquisition Program in Kerala
Project Number	47334-003
Country	India
Project Status	Closed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	<b>TA 8571-IND: Supporting Additional Skill Acquisition Program in Kerala</b> Technical Assistance Special Fund US\$ 225,000.00
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	<b>Education</b> - Education sector development - Technical and vocational education and training
Gender Equity and Mainstreaming	Effective gender mainstreaming

Description

The expected impact of the S-PPTA (expected outcome of the ensuing loan) will be a market responsive technical vocational education training system developed in Kerala. The indicator will be the proportion of ASAP certificate holders getting employment within 6 months of completing training. The outcome will be an RBL for \_Supporting Additional Skill Acquisition Program in Kerala\_ prepared.

The output of the S-PPTA will be the technical, system, and integrated risk assessments conducted for designing the proposed RBL program. This will include: (i) a technical assessment of program soundness, results and links with disbursement, and expenditure and financing; (ii) a detailed assessment of the fiduciary system (including financial management, procurement, and anti-corruption policies and procedures), monitoring and evaluation (M&E) environment, and social safeguard systems, and (iii) an integrated risk assessment and a program action plan. Key activities are described below.

The proposed TA will assess ASAP's relevance and rationale, and its linkage with Kerala's development goals and sector strategies. It will examine the program's design, and suggest improvements in order to enhance efficiency and value for money. Specifically, the TA will undertake a demand analysis of higher secondary and college students, and review industry needs analysis undertaken by the ASAP program office. It will improve ASAP's PPP strategy to strengthen engagement with SSCs in course design, certification, internship, and placement. It will undertake a feasibility analysis of the CSPs and develop a rolling infrastructure development plan. It will review the cost recovery model proposed in the CSP action plan and strengthen it. The TA will also analyze ASAP's plan to develop a pathway from ASAP certification to higher education, particularly the feasibility of ASAP certificate holders to earn a dual degree.

The TA will assist GOK in developing a detailed ASAP results framework including program outcomes, outputs, institutional development, and performance indicators. It will also assist GOK in identifying and agreeing on a set of annual disbursement linked indicators (DLIs). The DLIs would be a sub-set of the program results framework and are expected to be a combination of outcomes, intermediate outcomes, outputs, and institutional development results. The TA will further assist in identifying a detailed DLI verification protocol including a credible verification mechanism. It will also help to review ASAP's expenditure framework and financing plan, and assess GOK's planning and budgeting process including the quality of its medium term expenditure framework. It will also assess program implementation arrangements that include the organizational set-up, staff capacity, and mechanisms for stakeholder consultations and grievance redressal.

The TA will review ASAP's M&E structure, management information system, reporting arrangements, and information disclosure mechanisms. Measures will be suggested to strengthen the M&E system since this will cover areas that are key for the sustainability of ASAP such as quality assurance of skill training delivery, and alignment of skill training programs with the needs of the market. The TA will assess ASAP's fiduciary system including its procurement, financial management, and anticorruption arrangement. A financial management manual and procurement manual will be prepared to guide ASAP's work. The TA will also assess the environment and social safeguard systems. Based on the technical and systems assessment, the TA will assist in developing an integrated risk assessment and a program action plan. This will include capacity development plans and actions to improve the systems and ensure that program results including DLIs are achieved.

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Project Rationale and Linkage to Country/Regional Strategy

With a population of 33.3 million, Kerala is the 12th largest state in India in terms of population. Given its strong focus on human development, Kerala education, health, and gender-related indicators have always been the best in India. Unfortunately, this is not reflected in the state's employment indicators. Even though Kerala's economy grew by about 8.4% (estimated at constant prices, 2004\_05 and 2011\_12, its unemployment level remains very high. In fact, according to the latest National Sample Survey (NSS) conducted in 2009\_10, unemployment rate (based on current daily status) was the highest in Kerala (17.9%), followed by Nagaland (15.7%), Tripura (15.6%), Tamil Nadu (11.8%), and Odisha (8.2%). Kerala's workforce has not been able to adjust to the rapid structural changes that the state's economy has been undergoing. Between 2004\_05 and 2011\_12, the contribution of the primary sector to gross state domestic product (GSDP) declined from 17.9% to 9.5% and that of the secondary sector declined from 22.5% to 20.2%. The share of the tertiary sector increased sharply from 59.6% to 70.3% over the same period.

Kerala's problem of educated unemployment is mainly owing to the fact that its high levels of literacy and school enrollment have not translated in the level of employability required by the private sector. Several factors are responsible for this. First and foremost, there is a wide skills mismatch between the quality of school and college graduates and what the market demands. The curriculum, teaching methods, and teacher quality have not kept pace with the evolving needs of the Indian economy as it has opened up and globalized since the mid-1990s. Pedagogy-reform is required to shift from rote-learning to a more interactive teaching style which emphasizes creative and analytical thinking and problem solving. Most graduates of Kerala lack fluency in English and familiarity with basic information technology (IT) skills – two critical requirements for most jobs today. Second, most of Kerala's current technical and vocational education and training (TVET) programs are government-run with limited linkages to the private sector. There are virtually no vocational courses for training youth in the services sector which has boomed in Kerala as well as in India as a whole. Consequently, the placement record of TVET programs has been poor. This creates a stigma and discourages the youth from opting for vocational training. Third, the narrow manufacturing base of Kerala economy provides limited opportunities for skilled jobs within the state. However, given the growing size of India's domestic market, and the fact that Keralites have always been comfortable with migrating out of the state and the country for employment, policy-makers have come to regard low employability of the youth as the core problem underlying the state's high unemployment level.

On the other hand, the Government of Kerala (GOK) launched the Kerala State Skill Development Mission in July 2012 to enhance the employability of the state's youth and create opportunities for productive employment. As part of this mission, the ASAP initiative was designed by the Department of Higher Education, Department of General Education, and the Local Self Government Department, GOK, to address the preventive dimension of low employability. ASAP aims to provide the relatively poor youth, who are enrolled at the higher secondary level in government and government-aided schools and in undergraduate arts and science colleges, with the opportunity of improving their communication English, basic IT-skills, and to enroll in a market-driven skills training opportunities after school hours and during vacations. By mainstreaming general and vocational education, ASAP will make it easier for students to become more market-ready even while being enrolled in school and college. A 3-level certification involving industry, university, and GOK will be offered to the students. The level 1 program will consist of foundation courses (communication skills in English and basic IT) and an elective skills course. Level 2 and level 3 programs will be offered to students in vocational trades of their choice. Students who finish all 3 Levels in line with the requirements of the universities in Kerala will be able to earn a dual degree. This will significantly improve their chances of getting a good job after graduation.

Impact	Market responsive technical vocational education training system developed in Kerala
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**Project Outcome**

Description of Outcome	Results-based lending (RBL) for Supporting Additional Skill Acquisition Program in Kerala prepared
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Progress Toward Outcome

**Implementation Progress**

Description of Project Outputs	Technical, system, and integrated risk assessments conducted
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

**Summary of Environmental and Social Aspects**

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

**Stakeholder Communication, Participation, and Consultation**

During Project Design	Local NGOs will be consulted during program design. Their assistance will be taken to organize focus group discussions focusing on the needs, concerns, and aspirations of women and poor students regarding potential career options and suitable vocational training courses.
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## Business Opportunities

Consulting Services The S-PPTA has engaged 5 consultants for a total of 15 person-months of inputs (8 person-months international and 7 person-months national). ADB has engaged individual consultants in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Disbursements is being made in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).

## Responsible Staff

Responsible ADB Officer	Chakravarti, Shamit
Responsible ADB Department	South Asia Department
Responsible ADB Division	Human and Social Development Division, SARD
Executing Agencies	<i>Finance Department, Government of Kerala Government Secretariat, Thiruvananthapuram, Kerala India</i>

## Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	12 Dec 2013
Last Review Mission	-
Last PDS Update	13 Dec 2013

## TA 8571-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
12 Dec 2013	-	12 Dec 2013	31 Jan 2015	31 Mar 2015	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	12 Dec 2013	195,899.01

Project Page	<a href="https://www.adb.org/projects/47334-003/main">https://www.adb.org/projects/47334-003/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=47334-003">http://www.adb.org/forms/request-information-form?subject=47334-003</a>
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