

INITIAL POVERTY AND SOCIAL ANALYSIS¹

Country/Project Title:	SRI LANKA/Technical Education and Vocational Training Sector Development Project		
Project Number:	42251		
Month/Year	August 2010		

Lending/Financing Modality:	Project	Department/ Division:	SARD/SAOD
-----------------------------	---------	-----------------------	-----------

I. POVERTY ISSUES

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

1. Based on the country poverty assessment, the country partnership strategy, and the sector analysis, describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

In its poverty reduction strategy, the Government of Sri Lanka focuses on more equitable growth. The Government wants to unlock its growth potential in an equitable way. One of the reasons identified for unequal income growth is lack of access to quality education and training and formal employment. In order to continue the current economic growth, a technologically-skilled workforce is emphasized as a requirement.

The Project aims to improve quality and relevance of technical education and vocational training (TEVT), to increase equity in access to TEVT, and to enhance employability of the TEVT graduates. These outcomes will support achieving ADB's Sri Lanka: Country Partnership Strategy (2009-2011) outcomes of higher economic growth and socially inclusive development. It will help in increasing the skills-based competitiveness and support transformation of the current economy to a high-technology and service-oriented economy. Making access more inclusive and equitable across regions, gender and ethnic groups will support socially inclusive development.

B. Targeting Classification

1. Select the targeting classification of the project:

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

2. Explain the basis for the targeting classification:

The Project is a general intervention, as it is part of the Government's strategy to ensure equitable growth. The high youth unemployment and underemployment, despite the success in general education, shows there is a mismatch in skills between those supplied by the education system and those demanded by the labor market. By increasing the employability of the TEVT graduates, the Project will allow graduates to find more and better paying jobs, thus leading to increased incomes. It will help reduce skills shortages in identified technology areas, and contribute to more inclusive economic growth.

The Project will incorporate design features to address gender equity, access for ethnic groups, and affordability for poor students. By collaborating with other partners, a more holistic approach to respond to the labor market needs is envisioned to be able to also address other structural patterns constraining a well functioning labor market.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

Not applicable.

2. What resources are allocated to the project preparatory TA and due diligence?

A project preparatory technical assistance (PPTA) with contribution from JFPR of about \$800,0000 is planned. This will cover key issues pertaining to due diligence including technical (sub-sector analysis, labor market analysis), social (equitable access, social demand), economic and financial (economic rationale, sustainability, investment needs, fiduciary risk assessment) and safeguards (indigenous peoples, environment).

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

The Project will incorporate design features to address gender equity, access for disadvantaged groups and regions, and affordability for poor students. By enabling collaboration and partnership among key agencies, a more holistic approach to respond to emerging labor market needs is envisioned, including addressing structural and social constraints that impede the effectiveness of TEVT institutions and alignment with a well functioning labor market.

¹ THE IPSA REMAINS THE SAME AS THE ORIGINAL CONCEPT PAPER APPROVED IN DECEMBER 2010 AS THERE IS LITTLE CHANGES IN IMPLICATION OR CONTRIBUTION OF THE PROPOSED PROJECT IN TERM OF SOCIAL AND GENDER ISSUES.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

All potential TEVT students and TEVT graduates are the primary beneficiaries of the Project. The Project aims to include features to ensure gender equity, access to quality TEVT for disadvantaged groups and regions and affordability for poor students. When graduating, their employability is expected to improve, so that their chance to find a job or a better paying job also increases, as does their income.

2. What are the potential needs of beneficiaries in relation to the proposed project?

At the moment many beneficiaries face the prospect of unemployment or underemployment after leaving the education system. They need a job or a better paying job to earn a decent income. The Project will enable them to increase their chances of finding a job or a better paying job. This will require regional balance in course offering and support to TEVT providers which may include counseling services, entrepreneurial courses for soft enhancing skills and improving the labor market information system for the TEVT providers and trainees to plan accordingly.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

Despite improving employability, cultural and structural practices in the labor market and society at large might prevent TEVT graduates to find suitable jobs. The Project aims via a holistic approach to address patterns of exclusion in the labor market.

The TEVT image is not so positive in Sri Lanka. The Project aims to improve this image by close collaboration with future employers, career guidance centers, secondary and higher education, and better alignment with the National Vocational Qualification Framework.

The constructive involvement of all stakeholders in the TEVT system might be a challenge. At the moment, there is limited collaboration with private TEVT-providers. To make the system responsive, extensive communication and collaboration with all stakeholders is envisioned within the Project. The Project will also try to stimulate the development of public-private partnerships (PPPs) and collaboration between different stakeholders.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

The number of stakeholders is diverse and can also vary across the regions. In general, the following stakeholders can be identified: new and current TEVT students and TEVT graduates (this can be secondary education students or those already in the labor market.), parents, public TEVT providers, private and nongovernment organization (NGO) TEVT providers, Government agencies responsible for regulating TEVT, industry and other employers, unions, employers' representative bodies, Government agencies responsible for labor market functioning, secondary and higher education institutions, concerned Government agencies, and development partners.

2. What type of consultation and participation (C&P) is required during the project preparatory TA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc)

3. What level of participation is envisaged for project design? .

Information sharing Consultation Collaborative decision making Empowerment

4. Will a C&P plan be prepared? Yes No Please explain.

C. Gender and Development

1. What are the key gender issues in the sector and subsector that are likely to be relevant to this project or program?

Sri Lanka has achieved gender equity in general education. However, available data suggests imbalance in enrollment and graduation in TEVT institutes. In general, fewer women enroll and they enroll in courses that are traditionally dominated by females. Gender stereotyped subject choices by women in TEVT limit their choices in the labor market. ADB's Gender Assessment from 2008 showed the following issues: (i) around 35% of those enrolled in public TEVT institutes are women but their distribution in courses highlights persisting gender imbalances in enrollment; (ii) skills supply and demand mismatch; (iii) mismatch between acquired skills by women -through TEVT training- and actual job performed; (iv) weak links of TEVT to the labor market. While the average education level of

employed women is higher compared to the men, the overall employment rate for women is lower and women's participation in the labor force is also lower. A Gender Action Plan will be developed.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No Please explain.

The Project will include features to ensure gender equity in order to help improve the employability of women. Given that gender stereotyped subject choices by women in TEVT limit their choices in the labor market appropriate measures will be proposed.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain. Specific details will be available during the PPTA.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement		Not known.	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
Indigenous Peoples		No impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The Project aims to improve employment opportunities.	No Impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Most public education is for free in Sri Lanka and the Project aims to include pro-poor elements.	No Impact.	<input type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	Not applicable.	No Impact.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain

IV. PROJECT PREPARATORY TECHNICAL ASSISTANCE/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the project preparatory TA (or other due diligence) include poverty, social, and gender analysis and the relevant specialist(s)? Yes No If no, please explain why.

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&P during the project preparatory TA or due diligence? Yes No If no, please explain why.

There is provision for the following: (i) 3 person-months of gender and social development specialist to take stock of the progress under the ongoing project, to develop an updated gender analysis, and to prepare a consultation and participation plan; and (ii) one international (2 person-months) and one national (6 person-months) public finance specialists that will review the poverty analysis.