

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)  
CONCEPT STAGE**

**Report No.:** PIDISDSC15089

**Date Prepared/Updated:** 21-Aug-2015

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	India	<b>Project ID:</b>	P156363
		<b>Parent Project ID (if any):</b>	
<b>Project Name:</b>	Nai Manzil - Education and Skills Training for Minorities (P156363)		
<b>Region:</b>	SOUTH ASIA		
<b>Estimated Appraisal Date:</b>	22-Sep-2015	<b>Estimated Board Date:</b>	29-Apr-2016
<b>Practice Area (Lead):</b>	Education	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Vocational training (60%), Other social services (30%), Central government administration (10%)		
<b>Theme(s):</b>	Education for the knowledge economy (60%), Improving labor markets (40%)		
<b>Borrower(s):</b>	Government of India		
<b>Implementing Agency:</b>	Ministry of Minority Affairs		
<b>Financing (in USD Million)</b>			
	<b>Financing Source</b>		<b>Amount</b>
	BORROWER/RECIPIENT		0.00
	International Development Association (IDA)		50.00
	Total Project Cost		50.00
<b>Environmental Category:</b>	C - Not Required		
<b>Concept Review Decision:</b>	Track I - The review did authorize the preparation to continue		
<b>Is this a Repeater project?</b>	No		
<b>Other Decision (as needed):</b>			

## **B. Introduction and Context**

### **Country Context**

India, a low middle-income country with a per capita income of US\$1410 (2011), faces deep and complex development challenges. Between 2005 and 2010, India's share of global GDP increased from 1.8% to 2.7%, and 53 million people were lifted out of poverty. Life expectancy in India more than doubled from 31 years in 1947 to 65 years in 2012 and adult literacy more than quadrupled, from 18% in 1951 to 74% in 2011. However, despite positive developments, one of the specific challenges that persist in India is to provide equal opportunities to its minorities.

The government classifies six religious communities, viz. Muslims, Christians, Sikhs, Buddhists, Jains, and Zoroastrians (Parsis) as Minorities that together comprise almost 18% of India's population, or about 225 million people. Muslims comprise the largest minority group at 13.8% of the Indian population, followed by Christians at 2.1%, Sikhs 1.7%, Buddhists 0.6% and Parsis comprising of 0.004%. Data suggests that Muslims, constituting more than 75% of minorities, suffer significant backwardness with respect to labour market participation, earnings, and educational attainment compared to other socio-religious categories.

To focus on equitable development of the notified minority communities, the Government of India created a separate Ministry of Minority Affairs in 2006 carved out of the Ministry of Social Justice & Empowerment. In the same year, a Prime Minister's high level committee chaired by Justice Rajender Sachar published a report on social, economic and educational status of the Muslim community of India highlighting the lack of equity and equality of opportunities to Indian Muslims in residential, work and educational sector. The report has been widely cited and used extensively in subsequent policy decisions and interventions.

In the past, the Ministry of Minority Affairs has undertaken several programmes for minority development such as the multi-sectoral development programme, an area development initiative to address the development deficits of minority concentration areas by creating socio-economic infrastructure and providing basic amenities; learn and earn scheme, a skill development initiative for minorities; schemes for scholarships to minorities etc. "Nai Manzil", a pilot programme launched by the Ministry on 8th August 2015, is aimed at improving the labour market outcomes of minority youth by offering an integrated program for education and market relevant skill training. The program expects to bring the high number of school drop-out minority youth back into mainstream, and equip them with skills and market relevant certification that can help them in meaningful employment.

### **Sectoral and Institutional Context**

The World Bank carried out an analysis of short-term skill training programs (training duration of less than 6 months) in 5 States of India in close collaboration with the Ministry of Skill Development & Entrepreneurship. The report provides an in-depth analysis of employment outcomes of 5 flagship skill development programs of GoI, earning premium of their beneficiaries, cost-benefit analysis of the programs, administrative aspects affecting delivery, and recommendations on improving their performance. The following analysis draws heavily from that study as well as from the Sachar Committee report released in 2006.

There are significant differences in the labor market outcomes of different communities in India. Amongst the minorities, Parsis, the community that constitutes the smallest population share, earn wages significantly higher than the national average. However, Muslims have the lowest labor

market outcomes amongst minorities in India. They earn 25-30% lower wages, are 50% less likely to be engaged in formal sector, and have higher rates of unemployment (National Sample Survey 68th Round {July 11 - June 12}; Ministry of Statistics and Program Implementation). Muslims also have the lowest percentage of salaried employment. Participation in agriculture related self-employment is highest with Hindus and Sikhs while proportional participation from Muslims, Buddhists, Jains, and Parsis is quite low. This is possibly due to religion based landholding pattern in India (Lanjouw P. & Shariff A 2004: Rural non-farm employment in India: access, incomes and poverty impact: Economics and Political Weekly, 4429-4446). Further, non-farm self-employment is high among Jains, Parsis and Muslims. This phenomenon of concentration of non-firm self-employment among Muslims may be explained with the “Minority Enclave” theory (Das MB (2008) - Minority Status and Labor market Outcomes: Does India have Minority Enclaves? Policy Research Working Paper 4653, Washington DC: World Bank), indicating further regional disparities. There is a very high instance of casual employment of Buddhists.

The workforce participation rate of Christian women is 39% in rural areas and 32% in urban areas and is the highest workforce participation rate for women across all categories. However, the rate for Muslim women is the lowest among all categories. The workforce participation rate for Muslim men is generally higher than for other religious groups both in rural and urban areas, but the opposite is the case for Muslim women due to socio-cultural factors. The unemployment rates for Muslim women, are in general much higher than that for males (8% in rural and 16% in urban areas), indicating that employment opportunities for women are much less due to mobility restrictions and other social factors that constraint their options for employment. The unemployment rate for Muslim OBC women is even higher at about 20% indicating significant intra-community heterogeneities (Findings of Post Sachar Evaluation Committee chaired by Prof. Amitabh Kundu (Sep.2014)

Participation in skills development programs can increase the employment rates and provide a positive earnings premium for beneficiaries. As per the World Bank study, employment rates of beneficiaries of such programs increase by 7% overall, with a stronger effect for women than for men (12% vs. 4.5%). Further, beneficiaries who are working earn on average about 21% more than non-beneficiaries (with same age, education, marital status, state of residence) and even higher when the training content is directly relevant to the job held. Access to skills development programs for under-served population groups in India has significantly expanded over the last decade as a result of the GoI’s efforts. In addition to several interventions led by Central Ministries and State Departments, a large private sector supply base has also been created, using a public-private partnership vehicle for funding. However, not all these interventions have been equally effective. The study highlights weaknesses in beneficiary targeting; quality and relevance of programs; assessments and certification of beneficiaries, monitoring, reporting, and evaluation; and post-training and post-placement support.

Skills development programs have differential impacts on labor market outcomes depending on the personal characteristics of trainees, including educational attainment. The earnings of the beneficiaries increase with the level of education; those with primary education or lower, and those with secondary education receive 27% and 17% lower wages, respectively, than those with higher education. Another study has provided evidence that returns to education in the formal sector generally become significant only after completing a lower-secondary or higher level of education, including technical and vocational education (AV Adams, SJ de Silva and S. Razmara:

Improving Skills Development in the Informal Sector; The World Bank, 2013). These observations are consistent with the analysis of minorities in India that demonstrates a correlation between their educational and skill attainment and their relatively poor labor market outcomes (National Sample Survey 68th Round (July 2011-June 2012), Ministry of Statistics and Program Implementation).

There is a significant heterogeneity in the educational attainment of minorities. Jains and Parsis have the highest levels of educational attainment as measured by the proportion of population that has achieved higher education. While Christians are also above the national average in educational attainment, Sikhs, Buddhists, and Muslims lag behind. Access of Muslim households to primary and upper primary schools is at par with other socio-religious categories, but their transition rates at secondary level are especially poor, which put them at a disadvantage in the labor market (Presentation on report of the Standing Committee of the National Monitoring Committee for Minorities' Education (NMCME), May 2013). Only 50% of Muslims who complete upper primary are likely to complete secondary education, compared to 62% at the national level. As a result, 80% of 15-59 year old Muslims in India have not completed secondary education, 10 percentage points higher than the national average. Enrollment of Muslims is also low: in 2013-14, the percentage of Muslims enrolled at the secondary education level was 9.87%, lower than their population share of 13.43% (District Information System for Education (DISE), 2013 - 2014).

A major reason for poor access and high school drop-out rates of minority students is the limited capacity of households to pay fees, especially for those living in the rural areas and girls. The reasons for high drop-out rates of minorities in India were analyzed in-depth in the Kundu Committee report (2014) (Findings of Post Sachar Evaluation Committee chaired by Prof. Amitabh Kundu, Sept 2014), which found that financial constraints were the predominant reason for being out of school. Among Muslims, nearly 30% of 5-14 year olds and 26% of 15-24 years olds stated financial constraints for being out of school. Parents not interested in education was found as another major reason for poor education outcomes of minority students. Secondary education in India has, overall, seen a limited demand due to the high direct and indirect costs of schooling borne by families, parents' misperceptions of the benefits of secondary education, especially for girls and among rural families, and the poor quality and relevance of secondary education (Secondary Education in India: Universalizing Opportunity: Human Development Unit, the World Bank, 2009).

A promising avenue for improving labor market outcomes of minorities in India is through an integrated education and skills program supported by the government that can improve access for these communities. "Second-chance" avenues, or the access to education and skills tailored to the needs of those who have missed opportunities for early education, can be especially useful for people employed in the informal sector and seeking to gain employment (A V Adams: the Role of Youth Skills Development in the Transition to Work: A Global Review, The World Bank, Feb 2007). Muslims have a high likelihood of being left out of the early education system and being employed in the informal sector. Hence, beneficiary targeting for such an integrated program tailored for drop-outs of the education system can lead to improved outcomes.

Evidence from other parts of the world indicates that access to education and skills training can be better expanded by engaging private for-profit providers. These providers can offer demand-led, short courses well suited to a more flexible delivery of skills training for people who cannot

afford long spells away from work. As long as the standard-setting for these courses is not left to providers, delivery quality can also be ensured (Richard K Johanson, Arvil V Adams: Skills Development in Sub-Saharan Africa, The World Bank, 2004). Historically, training programs have relied on supply-driven financing focused on inputs at the individual beneficiary level. Such a design leads to a lack of accountability, on the part of providers, in terms of training outcomes such as number of trainees placed, improvements in retention and completion, and services delivered to targeted population groups and industrial sectors. Hence, to improve the performance of programs, there is a need to shift the financing for skills provision from supply-driven financing to results-based financing (A V Adams, S J de Silva, and S. Razmara: Improving Skills Development in the Informal Sector, The World Bank, 2013). Linking the financing of programs to education and training targets can incentivize private sector implementing agencies to design and implement high quality education and training programs that actually cater to the needs of the communities. There is now substantial experience with performance based financing of service providers, and these are more efficient and effective service delivery modalities compared to input based financing.

#### Nai Manzil Scheme

MoMA has undertaken several programs for minority development such as the multi-sectoral development program, an area development initiative to address the development deficits of minority concentration areas by creating new socio-economic infrastructures and providing basic amenities; the learn and earn scheme, a skill development initiative for minorities; and scholarships schemes for minorities. Based on lessons learnt from these initiatives, the GoI identified the need for an integrated education and skill development program for young minority youths. Thus the GoI launched the “Nai Manzil” Scheme (“New Horizons” Scheme), a comprehensive education and skill development program on August 8th, 2015. The program design was envisaged to support basic education certification to make the youths eligible for most entry-level jobs and provide skills that could help them perform better in the labor market. Nai Manzil is aimed at improving the labor market outcomes of minority youths by offering an integrated program for education and market relevant skill training. The Nai Manzil Scheme will be complimented by the Maulana Azad National Fellowship for Minority Students Scheme and the Maulana Azad National Scholarships for meritorious girl students program of MoMA that helps in demand side financing for educational attainment of minority youths. The Scheme will also have linkages with the National Minorities Development and Finance Corporation (NMDFC) of MoMA that provides loans to the minority youths. The Scheme will cover 1,228 Community Development Blocks where minority population is at least 25%.

#### **Relationship to CAS/CPS/CPF**

The Government of India in its National Skill Development Mission has a stated goal of training 402 million workers by 2022. This requires a concerted effort across public and private institutions to respond to the challenge of improving India’s global competitiveness, further reducing poverty and increasing shared prosperity. Further, the World Bank Group’s India Country Partnership Strategy (CPS) emphasizes improving market-driven skill development for productive employment as a key element of the Transformation pillar as well as improving access to services and opportunities for excluded population groups under the Inclusion pillar. The proposed project contributes to these objectives with its focus on minority youth education and skills development, and is consistent with the CPS strategy.

### **C. Proposed Development Objective(s)**

**Proposed Development Objective(s) (From PCN)**

The Project Development Objective is to improve the employability of youth from minority groups by expanding access to education and market relevant training.

**Key Results (From PCN)**

- Number of beneficiaries enrolled in the Scheme (disaggregated by gender) - core indicator
- Number of enrolled beneficiaries who receive a Grade 8 or Grade 10 education certificate through Open schooling
- Share of enrolled beneficiaries who receive a nationally recognized skills certificate in a labor market relevant area
- Number of enrolled beneficiaries who are employed or continue in higher education 6 months after completion of the integrated education and skills program

**D. Concept Description**

The Nai Manzil Scheme reflects the government's commitment to provide education and skilling opportunities for economically disadvantaged/underserved minorities. The Project supports the Nai Manzil scheme by covering the scheme's two crucial dimensions: access and market relevance. The Project will have two components that are strategically designed to assist the implementation of GoI's Nai Manzil Scheme. Component 1 will support improved access to education and enhanced market relevance of skills training. Component 2 will focus on system strengthening, policy design, as well as support the implementation of Component 1 through program coordination, technical assistance, capacity building, results monitoring and evaluation, and research and communication.

**Component 1: Results Based Financing for Increased Education and Market-Relevant Training (USD 45 million)**

The objective of the Nai Manzil scheme is to support productive employment among minority youths who have dropped out of school after Grades 5 and/or 8 or have attended Madrasa education. The Project will support the development and implementation of a grant funding facility to private providers, Program Implementation Agencies (PIAs), for expanding and improving access to integrated education and relevant skills development facilities for the targeted minority population. PIAs will provide non-residential integrated education and skill training for 9 to 12 months of which a minimum of 3 months would be devoted to skill training compliant with the National Skills Qualification Framework (NSQF). The main instrument for implementing the scheme will be results-oriented performance agreements between the MoMA and PIAs to (i) mobilize and identify students eligible under the program; (ii) provide support to enroll in open schooling and undertake training and assessment as per applicable guideline's (iii) provide additional education support/bridge program designed to help students obtain open schooling certification; (iv) impart high quality skills training including non-cognitive skills leading to productive employment; and (v) provide post-placement support for 6 months to ensure sustainable employment for those students who opt to enter the labor market.

The Performance Agreements will include a set of performance parameters that will be the primary basis for financial disbursements by the MoMA to PIAs. The performance agreements will aim to provide incentives for meeting agreed upon targets, including physical targets, as well as education and labor market outcomes. The performance agreements will be built on the extensive experience and lessons learnt from other programs in the education and training sector in India and other relevant countries to facilitate tailored approaches to education and skills development essential to effectively cater for specific groups and labor markets.

Component 2: Technical Assistance for Implementation of the Nai Manzil Scheme (USD 5 million)

Areas to be supported include (i) policy development; (ii) program implementation support through a Project Management Unit; (iii) building a national stock of programs, curricula, training methodologies and materials for education and training; (iv) piloting innovative interventions focused on improving education, training and employment outcomes for girls; and (v) monitoring and evaluation (M&E) activities including impact evaluations, tracer studies, qualitative assessments, and third party validation studies to facilitate improved scheme design related to target groups and eligibility criteria.

Project Financing:

The Project will use an Investment Project Financing (IPF) instrument based on a results-based financing (RBF) modality. Under the RBF component (Component 1), Project funds will be disbursed against selected Eligible Expenditure Programs (EEPs) up to capped amounts and conditioned on achievement of the agreed set of disbursement linked indicators (DLIs). This component will support implementation of strategic design features of the GoI's Nai Manzil Scheme, and will focus on outcomes and results rather than inputs..The DLIs for the Project will reflect GoI's priorities in the Scheme, including intermediate outcomes that build cumulatively over the lifespan of the Project to expand access to education and market relevant training that contribute to improved labor market outcomes. From a disbursement point of view, the DLIs will be independent of each other; non-compliance with a DLI in a period will imply that disbursement of the funds associated with that DLI will be withheld (and released later if the DLI is met), but disbursement associated with other DLIs will not be affected. During project preparation, the World Bank will discuss with MoMA the full Nai Manzil Scheme and select EEPs against which World Bank financing would be disbursed, subject to the achievement of DLIs. Component 2 will disburse as a traditional IPF.

The total cost of the GoI's Nai Manzil (central) Scheme (from 2015-2016 to 20120-2021) is estimated to be around US\$ 100 million. Of this, the World Bank will finance US\$50 million, and the balance will be financed by the GoI through budgetary allocations to the MoMA.

## II. SAFEGUARDS

### A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The proposed program shall be implemented by MoMA, through PIAs, across the country. The proposed program has been categorized as category "C" since there is no infrastructure planned or to be implemented and hence there is no adverse environmental impacts envisaged under the program.

The program shall follow the curriculum on Modular Employable Skills (MES) as prescribed by Directorate General of Training (DGoT), Ministry of Skill Development and Entrepreneurship (MoSDE). The curriculum includes short term courses catering to 12 sectors including (i) automobile; (ii) beauty and wellness; (iii) construction, construction material and real estate; (iv) electronics and hardware; (v) fabrication; (vi) bamboo fabrication; (vii) food processing and preservation; (viii) IT and ITES; (ix) power generation, transmission, distribution, wiring and electrical equipment; (x) production and manufacturing; (xi) textiles and apparel; and (xii) travel, tourism and hospitality. DGoT recognizes the importance of imparting education on occupational safety, health and environment through a 10 hour course under Soft and Entrepreneurship Skills program.

The project is socially inclusive and gender sensitive with its explicit focus on vulnerable socio-religious groups from the minority communities. The Project will support no civil works and will involve no land acquisition or land taking. Therefore, OP 4.12 (Involuntary Resettlement) is not triggered. Nai Manzil is a nation-wide scheme, and will cover Schedule Tribe (ST) groups amongst the minority communities such as nomadic Muslim tribal groups in the north-western parts, tribal Christians in the North-East, in other parts such as Jharkhand, Chhatisgarh, and Odisha, and tribal Buddhists in the western parts. Therefore OP 4.10 (Indigenous People) has been triggered.

A Social Assessment will be carried out and a Social Management Framework including an Indigenous Peoples' Policy Framework (IPPF) will be prepared identifying and addressing key social inclusion and gender issues. The Social Assessment will make use of important sources such as the Sachar Commission Report and the Justice Rangnath Mishra Commission Report and other research studies carried out to analyze the socio-economic status of minorities, barriers affecting their access to employment opportunities, current empowerment initiatives, political economy risks and social sensitivities that may influence the proposed job skill schemes. Stakeholder consultatio

### **B. Borrower's Institutional Capacity for Safeguard Policies**

During preparation of the project environmental due diligence needs to be carried out for the program across all 12 sectors offered for skill development and if curricula is deficient in health, safety and environment (HSE) education, Ministry will be engaged to include these aspects in the offered program.

The Borrower has experience in dealing with social inclusion and gender equality issues in various welfare schemes that it implements for the minority groups. However, it has no previous experience in implementing a World Bank assisted project. This project does not involve major safeguards risks as the program has no adverse impacts. However, the project will require sustained stakeholder engagement and an effective communication strategy for effective and inclusive outreach. Therefore, the borrower will hire consultants to carry out preparatory measures and manage the implementation process. The Bank team will provide necessary technical support during preparation and implementation phases.

### **C. Environmental and Social Safeguards Specialists on the Team**

Satya N. Mishra (GSURR)

### **D. POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
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Environmental Assessment OP/BP 4.01	No	Environmental due diligence and screening of prescribed curriculum indicate need to include HSE for individual sectors. No infrastructure component included in the program.
Natural Habitats OP/BP 4.04	No	No interventions are envisaged in natural habitats. The program primarily focuses on imparting education and skill development trainings.
Forests OP/BP 4.36	No	No interventions are envisaged in forest areas. The program primarily focuses on imparting education and skill development trainings.
Pest Management OP 4.09	No	Biological/ environmental control methods or reliance on synthetic chemical pesticides is not envisaged. The program primarily focuses on imparting education and skill development trainings.
Physical Cultural Resources OP/BP 4.11	No	The implementation of the program is not likely to affect religious structures of local significance or other physical cultural resources. The program primarily focuses on imparting education and skill development trainings.
Indigenous Peoples OP/BP 4.10	Yes	Nai Manzil is a nation-wide scheme, and will cover Schedule Tribe (ST) groups amongst the minority communities and therefore OP 4.10 has been triggered.
Involuntary Resettlement OP/ BP 4.12	No	The Project will support no civil works and will involve no land acquisition or land taking. Therefore, OP 4.12 (Involuntary Resettlement) is not triggered.
Safety of Dams OP/BP 4.37	No	There is no construction of new dams or activities that are concerned with safe functioning of existing dams.
Projects on International Waterways OP/BP 7.50	No	No interventions are envisaged in international waterways. The program primarily focuses on imparting education and skill development trainings.
Projects in Disputed Areas OP/ BP 7.60	No	

## E. Safeguard Preparation Plan

### 1. Tentative target date for preparing the PAD Stage ISDS

17-Dec-2015

### 2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

There is no infrastructure component and, the program is planned entirely to enhance educational and skill level of minorities thereby leading to better employment opportunities. The program has been categorized as category C program since no adverse environmental impacts are envisaged under the program. Therefore, no environmental assessment of the program is required.

**III. Contact point****World Bank**

Contact: Muna Salih Meko  
 Title: Senior Education Specialist

Contact: John D. Blomquist  
 Title: Program Leader

**Borrower/Client/Recipient**

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**Implementing Agencies**

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**IV. For more information contact:**

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**V. Approval**

Task Team Leader(s):	Name: Muna Salih Meko, John D. Blomquist	
<b><i>Approved By</i></b>		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 15-Sep-2015
Practice Manager/ Manager:	Name: Keiko Miwa (PMGR)	Date: 15-Sep-2015
Country Director:	Name: Onno Ruhl (CD)	Date: 23-Sep-2015

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.