

INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: 102323-IN

Date: December 29, 2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	India	Project ID:	P156867
Project Name:	Skills Strengthening for Industrial Value Enhancement Program (STRIVE)		
Task Team Leader:	Muna Meky		
Estimated Appraisal Date:	June 30, 2016	Estimated Board Date:	September 20, 2016
Managing Unit:	GED06	Lending Instrument:	Investment Project Financing
Sector:	Vocational Training (100%)		
Theme(s):	Human Development, Public Sector Governance, Financial and Private Sector Development		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crisis and Emergencies)			No
Financing			
Total Project Cost:	US\$28.75 million for the TA (US\$538.75 for the Operation)	Total Bank Financing:	US\$28.75 million for the TA (US\$ 268.75 million for the Operation)
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			US\$270.00 million
International Bank for Reconstruction and Development (IBRD)			PforR: US\$240 million
			Technical Assistance: US\$28.75 million
Total			US\$538.75 million
Environmental Category	C		
Is this a Repeater project?	No		

B. Project Objectives

The Operations Development Objectives is to improve the relevance and efficiency of vocational training provided through ITIs and apprenticeship

C. Project Description

India has become the world's fastest growing large economy. India's Gross Domestic Product (GDP) grew by 7.3% in 2014-15 steadily recovering from a low of 5.1% in 2012-13. Growth was largely supported by robust consumption growth on the expenditure side and strong growth in the services sector, averaging more than 9% between 2012 and 2015, on the production side. Consumer inflation is firmly under control, averaging below 5% in the current fiscal year to date, down from double digit growth observed in second half of 2013. With growth, poverty has declined rapidly from 38.9% in 2004-05 to 21.6% in 2011-12 (1.90 PPP/day) at a pace significantly faster than that witnessed in earlier periods. Poverty reduction was supported by increase in non-farm wage employment, especially in construction, greater rural-urban integration, and higher rural wage growth.

Going forward, India growth prospects remain very bright. One million youth will enter the labor market every month for the next two decades and India will soon have one of the youngest and largest working age populations in the world. These demographic dynamics and a rising age-savings profile are likely to generate significant volumes of savings and investment over the coming years. The average schooling of the working age population – and, consequently, worker productivity – will increase by at least a full year by 2030 even with no further improvements in the educational attainment of today's youth (i.e., simply due to the fact that younger cohorts are better educated) and could rise much faster if further progress is achieved on the education agenda. The proportion of population living in urban areas is expected to rise to 40 percent in 2030 from around 30 percent today, reinforcing productivity-boosting agglomeration effects. Combined, these effects are likely to form the foundations of India's strong growth for decades to come.

To realize these benefits, further efforts will be required to harness the full potential of the demographic transition. A striking feature of India's labor market is the extremely low (31 percent) female labor force participation. More than 50 million of India's young women are neither studying nor working. In addition at present, 4.9% of working age people are unemployed and 82% work without any written job contract,^[1] more than 70 percent work in

^[1] Fourth Annual Employment & Unemployment Survey Report (2013-14); Labour Bureau, Ministry of Labour & Employment, Government of India

firms with less than 10 employees, and more than 75 percent have no access to any social security benefits – attesting to the large size of the informal sector and a relative scarcity of “good” jobs. These challenges could inhibit India’s ambition to further modernize its economy by attracting resources to dynamic, high-productivity manufacturing and services sectors. To address these, the Government has taken important steps towards a reform agenda focused on job creation through improving the business environment, particularly in the manufacturing sector. The “Make in India” campaign launched by the Prime Minister in 2014 has identified reforms in energy supply, access to finance and upgrading skills as key priorities.

India’s workforce is becoming increasingly more educated. In 2009, the GoI set an ambitious goal to improve access and quality to education through the Right of Children to Free and Compulsory Education (RTE) Act. India has more than doubled its primary enrolments since the passage of the RTE Act. The Net Enrollment Ratio (NER) in primary schools is 99.8% and gender parity has been achieved. Secondary education has also seen impressive growth in access where Gross Enrollment Rates have gone up from 58% to 74% in the last 5 years. GoI is now increasingly focused on improving the literacy and numeracy competency of students in basic education and improving the quality of secondary education, especially in mathematics and science. The government is also focused on providing job-relevant skills training as part of workplace readiness training for those who complete secondary education. Pre-employment job-specific skills are broadly offered at three levels: (i) short term training programs (3-6 month) provided by a range of Ministries, States and private sector providers, (ii) long term training programs at the certificate level offered through Industrial Training Institutes (ITIs) and through apprenticeship training, and (ii) long term training programs at the diploma level through Polytechnics.^[2]

Long-term training below higher education assumes a central function in developing the necessary cadre of comprehensively skilled technicians for the development of a globally competitive manufacturing sector as envisioned in the “Make in India” campaign of the government. With their focus on technical skill areas, ITIs and apprenticeship programs form the backbone of the long-term training infrastructure in India. Recent data shows that the trainees from ITIs are better placed to secure employment and earn a substantial wage premium (18% in 2011-12) over those who have only completed Class 10 education.^[3] However, the resources for skills development provided by the relatively large ITI network in India and potential apprenticeships, remain under-utilized and the quality of the training supply is perceived to be not aligned with the development needs of India and the skills

^[2] India is also expanding the range of vocational education courses available in secondary schools (Grades 9-12), though this is currently on a small scale and these courses are taken alongside a larger number of general education subjects.

^[3] Employment rates at ITIs are also high at around 60% compared to 30% for short-term training courses offered as part of five largest government-funded schemes

requirements in the labor market. To strengthen the ITIs' capacities of developing skilled personnel needed for increased competitiveness in manufacturing and other sectors the GOI focusses on (i) wide implementation of a robust quality assurance framework is widely implemented; (ii) modernized workplace learning programs are modernized; (iii) systematically deepened partnerships with industry; and (iv) systems for increasing the accountability and hence performance of ITIs.

The World Bank Program support (Program for Results (PforR)+Investment Project Financing(IPF)) consists of two categories of activities: (i) institutional training, and (ii) trainers. The proposed operation will use a hybrid instrument, combining PforR and IPF mechanisms for financing. The estimated cost of the program is over 5 years and Bank's contribution will be 240 million. Under the operation, US\$28.75 million will be dedicated to financing a specific set of technical assistance (TA) activities.

Program Funding:

Results Area 1: Improve and broaden workplace learning. To support India making better use of its vast learning and training opportunities at workplaces STRIVE under this results area will (a) increase the number of young labour market entrants going through modernized apprenticeship training, and (b) improve on-the-job training (OJT) opportunities for ITI trainees. To enhance the employability of graduates from long-term TVET courses, the introduction and/or improvement of OJT in cooperation with companies will be supported. Funds will be used for mobilization of companies, introduction of quality assurance instruments for OJTs and other means of quality enhancement. For both apprenticeship training and OJT, capacity development of company supervisors will complement other interventions.

Results Area 2: Increasing the performance and labour market relevance of ITIs.

Sub-result 2.1: Introducing performance incentives for ITI modernization and improved industry interface. The STRIVE program will support MSDE's cluster approach of node and affiliate ITIs, with 2 to 3 clusters consisting of 5-8 ITIs identified in each State. Funds may be used for the introduction of new courses (in cooperation with companies) which includes necessary facility and equipment upgrading, capacity building of placement cells and career guidance and mobilization initiatives, and improve infrastructure, where appropriate, that will enable youth with disabilities to access ITI training.

Sub-result 2.2: Technology-driven broadening of the scope of ITIs and improving the quality of learning. STRIVE is designed to boldly introduce Digital India in the skills development eco-system.

Sub-result 2.3: Operationalizing the outcome-based quality assurance framework for training delivery and management of ITIs. To accelerate the reform towards labour-market orientation in the skills development eco-system, STRIVE will fund the development of National Occupational Standards (NOS) and competency-based curricula for ITI courses, and teaching and learning material

Results Area 3: Improved relevance and efficiency of instructors’ training. The MSDE has started a process of revising the training system and qualification structure for instructors in the skills development system. STRIVE will support interventions in the following areas: (a) Technology-led training systems for pre and in-service training; (b) Performance management system for instructors; and (c) Institutional capacity building.

Technical Assistance Funding:

Areas to be supported under the Technical Assistance include (i) policy development and regulatory reform, (ii) program implementation support through National and State Project Management Units, (iii) piloting innovative interventions focused on improving training and employment outcomes for girls, and (v) Monitoring and Evaluation activities including impact evaluations, tracer studies, qualitative assessments, and third party validation studies to allow for improving scheme design.

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

The TA support primarily consists of consultancy services and evaluation studies and therefore no significant, long term or adverse environment or social issues are anticipated from the proposed interventions/activities. The activities proposed under TA are not likely to have any adverse or significant environmental impact.

Social safeguard issues, including any significant, long term or adverse impacts or risks are not anticipated under this operation as this TA primarily consists of consultancy services and evaluation studies. OP 4.12 is not triggered as no resettlement is envisaged due to the implementation of the activities under this TA. OP 4.10 is stated as “To be Decided (TBD)”, keeping in view that the TA is related to the activities of the Program. No adverse impact is envisaged due to the implementation of the activities under this project and no tribal community will be excluded from benefits of communication and behavior programs.

E. Borrowers Institutional Capacity for Safeguard Policies

Not Applicable as the program does not support infrastructure development. GoI and state

governments have well developed laws and policies that covers environment and social issues. The TA will support capacity building and monitoring the identified gaps to strengthen the system.

F. Environmental and Social Safeguards Specialists on the Team

Pyush Dogra, Senior Environment Specialist, GENDR

Mridula Singh, Senior Social Development Specialist, GSURR

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	
Environmental Assessment OP/BP 4.01	No	OP 4.01 is not triggered for this project as interventions cover capacity building and there will not be any adverse impact.
Natural Habitats OP/BP 4.04	No	OP 4.04 is not being triggered for this project as no interventions are envisaged in natural habitats, including those defined as ‘critical’ under the policy.
Forests OP/BP 4.36	No	OP 4.36 is not being triggered for the TA as no interventions are envisaged in forest areas and therefore no conversion/degradation of this natural resource is expected to occur.
Pest Management OP 4.09	No	OP 4.09 is not being triggered for this project as biological/environmental control methods or reliance on synthetic chemical pesticides is not envisaged.
Physical Cultural Resources OP/BP 4.11	No	The implementation of the project/program is not likely to affect religious structures of local significance or other physical cultural resources.
Indigenous Peoples OP/BP 4.10	TBD	This TA primarily consists of consultancy services and evaluation studies. OP/BP 4.10 is stated as “To be Decided (TBD)”, keeping in view that the TA is related to the activities of the Program. The Program will not have adverse impacts rather it will support the enhancement of skills of people, including the excluded groups.
Involuntary Resettlement OP/BP 4.12	No	OP 4.12 is not triggered as no resettlement is envisaged due to the implementation of the activities under this TA.
Safety of Dams OP/BP 4.37	No	OP 4.37 is not being triggered for this project as 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	OP 7.50 is not triggered as the project supports skill development and the TA will complement the core investment.
Projects in Disputed Areas OP/BP 7.60	No	OP 7.60 is not being triggered as the project is not proposed in any disputed area.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS

June 20, 2016

B. Time from 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.

Not applicable. The TA will support capacity building, hiring of required consultancy, and thematic studies

IV. APPROVALS

Task Team Leader:	Muna Meky	
<i>Approved By:</i>		
Regional Safeguards Advisor:	Name: Maged Mahmoud Hamed	Date:
Practice Manager:	Name: Keiko Miwa	Date: