Early Warning System

ADB-48493-002

Madhya Pradesh Skills Development Project

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Quick Facts

Countries	India
Specific Location	Madhya Pradesh
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	B
Sectors	Education and Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million

Project Description

DESCRIPTION

The proposed project will reinforce the Government of Madhya Pradesh's efforts to modernize and reform the states technical and vocational education and training (TVET) system so that its workforce can be equipped with the skills being demanded by the growing sectors of the economy.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Madhya Pradesh, located in central India, is the sixth largest state in terms of population (72.6 million). Owing to the concerted efforts of the Government of Madhya Pradesh (GOMP) over the past decade, the states physical infrastructure roads, power, water, and sanitation has improved considerably. Between 2006 and 2012, Madhya Pradesh grew by 9.1% as compared to the Indian economy which grew at 7.8%. Overall poverty declined from 48.6% to 31.6% between 2004-2005 and 2011-2012. The state has been attracting private sector investment in sectors such as power, information technology (IT), automotive, textiles, consumer goods, machinery, banking and finance, hospitality, and tourism. Around 59% of Madhya Pradesh s population is in the working age group of 15 to 59 years. Yet, nearly 90% of the work force has not had access to formal vocational training. Given the high gross enrolment rate at the primary and secondary school levels, it is clear that an increasing number of students will be looking for vocational training options in the years ahead. However, as compared to the national benchmark of 138 industrial training institute (ITI) seats per 100,000 people, Madhya Pradesh offers only 90 seats. Moreover, the majority of the 213 government ITIs are more than 40 years old. Owing to their limited reach, outdated curricula and equipment, inadequate industry engagement, and weak counselling and placement services, the ITIs have been performing below potential. Hence, TVET is not viewed as a viable career option by Madhya Pradesh s youth. There continues to be heavy dependence on government jobs which is not fiscally sustainable. A sharp mismatch has arisen between Madhya Pradesh's economic and employment profiles over time. Between FY2004-2005 and FY2012-2013, the share of the primary sector in gross state domestic product declined from 28% to 26%, while that of the secondary sector increased from 26% to 27% and of the tertiary sector increased from 45% to 46%. However, as of FY2013-2014, 63% of the workforce continues to be employed in the primary sector, 21% in the secondary sector, and only 17% in the tertiary sector. GOMP is therefore, emphasizing TVET reform so that it can equip its youth and workforce with the skills required to make the transition from primary to secondary to tertiary jobs. The Department of Technical Education and Skill Development (DTESD), GOMP, comprises: (i) the Directorate of Skill Development (DOSD), which is in-charge of all government ITIs; (ii) the Directorate of Technical Education, which supervises polytechnics, engineering and other colleges; and (iii) the Madhya Pradesh Council for Vocational Education and Training (MPCVET), which was established as a registered society on 26 July 2010 as the apex body for providing overall policy direction and coordinating all skill development activities in the state. The proposed ADB loan will support DTESD in modernizing and reforming the states ITI network in line with the changing needs of the economy. A global skills park (GSP) will be established so that skilled workers can get internationally recognized certificates and compete for overseas jobs. Selected ITIs will be upgraded so that they can impart high-end training in growth sectors. The project will extend the reach of the ITI network to underserved areas of the state, and focus on women, people with disabilities (PWDs), and other vulnerable groups. It will build the capacity of MPCVET to deliver the mandate of the state Skill Development Mission by bringing about convergence across the vocational training programs being run by other departments, and align all training with the competency levels specified in India's National Skills Qualification Framework (NSQF) and other national quality assurance and certification norms.

IMPACT

A more productive workforce in Madhya Pradesh equipped with market-relevant technical and vocational skills created (Madhya Pradesh Skill Development Mission)

Investment Description

- Asian Development Bank (ADB)

Loan: Madhya Pradesh Skills Development Project
Ordinary capital resources US$ 150.00 million

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

CONTACTS

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Bank Documents

- Madhya Pradesh Skills Development Project: Initial Poverty and Social Analysis [Original Source]
- Madhya Pradesh Skills Development Project: Project Data Sheet (Hindi) [Original Source]
- Madhya Pradesh Skills Development Project: Project Preparatory Technical Assistance Report [Original Source]
- Project Disclosure PDF

Other Related Projects

- ADB-48493-001 Madhya Pradesh Skills Development Project