Early Warning System

ADB-50296-001

Education and Skills Development Project

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Quick Facts

Countries	Bhutan
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	U
Voting Date	2016-12-15
Sectors	Education and Health
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.25 million

Project Description

DESCRIPTION

ADB and the Government of Bhutan have undertaken joint policy work and dialogue through the capacity development technical assistance (CDTA) funded by the Japan Fund for Poverty Reduction which was implemented from September 2014 until August 2016. A key outcome of the CDTA was the development of a Technical and Vocational Education and Training (TVET) Blueprint , which was developed in collaboration between the Government of Bhutan and ADB TA project. The Government of Bhutan officially launched the TVET Blueprint 2016 -2026 in June 2016. While the TVET Blueprint outlines the broad strategic directions, there is need to prepare detailed operational plans with prioritization of activities, costing and implementation arrangements. The SSTA will address the preparation of such detailed activities, costing and design of a project to be supported by ADB.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Bhutan's economy is one of the smallest in the world. The country has made significant economic progress in recent years with a doubling of gross domestic product per capita during 2004 -2014. The proportion of people living below the national poverty line fell from 23.2% in 2007 to 12.0% in 2012. Growth in industry and services is expected to spur economic expansion in the country. Despite rapid socioeconomic growth and development, the country is facing a combination of challenges that include increased youth unemployment simultaneously with shortages in human resources in critical sectors. The country has made commendable progress in the provision of basic education, however, the general academic focus of secondary education is not adequately preparing youth for the workforce. The vast majority of students choose the academic track with very few enrolling in TVE) courses (only an estimated 9% of Grade 10 students). While overall unemployment rate is about 2.5%, youth unemployment is high and increasing (10.7% in 2015 compared to 7.3% in 2012). The TVET Blueprint identifies two significant challenges for the TVET system: (i) the need to meet the skilling needs of about 200,000 job seekers who are expected to enter the labor market in the next 20 years, and (ii) the need to improve workforce productivity and economic competitiveness through appropriate types and levels of skilling. The key issues identified in skill development include insufficient alignment between secondary education and TVET, inadequate investment in TVET in relation to the predicted growth in demand from students, poor quality of training, low market relevance of TVET courses and weak policy and institutional arrangements. The education and training system must respond to aspirations of the youth (the average age of the population is about 27) by providing gainful employment and at the same time contribute towards providing much needed skilled manpower and diversification in the country. Bhutan is witnessing a gradual decline in overall labor force participation rates (LFPR). It fell from 68.6% in 2010 to 62.6% in 2014. Female LFPRs fell faster than males. LFPRs of young people (between the ages of 15 2-4) decreased sharply from 40.4% in 2010 to 26.9% in 2014. The problem of youth unemployment is exacerbated by the poor perception of TVET and the preference for government jobs. The government, in full cognizance of these issues, has made considerable efforts to modernize the TVET system in recent years and has also reiterated its commitment to policy reforms and targeted efforts to promote youth employability through skills development. The TVET Blueprint recently launched by the government provides a comprehensive and coherent framework for responding to the major constraints in TVET. The Blueprint outlines four pillars of reform areas that respond to the key constraints prevailing in the TVET system. The four pillars focus on: (i) Expansion of TVET, (ii) Improvement of quality, (iii) Improvement of relevance, and (iv) Strengthening of management. Within each pillar there are 60 practical actions required for implementing each Pillar. Indicative time frames are also provided, ranging from short-term (2016 through 2018), medium-term (2019 through 2021), and long-term (2022 through 2026).

IMPACT

Design, quality and relevance of skills development in Bhutan improved

CONSULTING SERVICES

Investment Description

- Asian Development Bank (ADB)

TA 9281-BHU: Education and Skills Development Project
Technical Assistance Special Fund US$ 225,000.00

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

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Bank Documents

- Project Disclosure PDF

Other Related Projects

- ADB-50296-002 Skills Training and Education Pathways Upgradation Project