

 Early Warning System

ADB-59039-001

Supporting Pradhan Mantri Skilling and Employability Transformation
through Upgraded Industrial Training Institutes Program



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-11-27
Borrower	Government of India - Ministry of Skill Development and Entrepreneurship
Sectors	Education and Health, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 846.00 million
Project Cost (USD)	\$ 4,000.00 million



Project Description

According to the Bank's website, India has experienced robust economic growth recently, emerging as the world's fastest-growing major economy. It is expected to grow at 6.4% during fiscal year (FY) 2024-25 driven by strong domestic demand, increased private consumption, and significant government capital expenditure. India's recent growth has been characterized by 'jobless growth' where the increase in employment opportunities has not kept pace with the growth in gross domestic product (GDP). The manufacturing sector, which would create large number of jobs, growth has remained largely static, contributing 13% in 2022 and 2023 to the country's economic output (value added as % of GDP), and down from 17% in 2010 (in contrast, Viet Nam and Bangladesh recorded 24% and 22%, respectively in 2023). India's global manufacturing share currently stands at 2.8%, compared to the People's Republic of China's 28.8%

To strengthen its industrial competitiveness, the government has launched initiatives such as Make in India which aims to create and incentivize companies for investments into manufacturing and push for the creation of jobs for skilled labor in 25 manufacturing sectors to make India the most preferred global manufacturing destination. Additionally, significant investments have been made in emerging sectors-semiconductors, artificial intelligence, renewable energy (National Solar and Green Hydrogen Mission), and electric vehicles (EV). By 2030, the EV industry is projected to create 5 million jobs while solar and wind energy production can potentially create 3.4 million jobs. Rapid automation and transformation of manufacturing technologies from these emerging and sunrise sectors, is further adding pressure on industry to constantly adapt and update its workforce requirements. As the most populous country in the world and with more than 65% of the population below the age of 35, India has massive workforce potential. India's labor force participation rate stands at 60.1%, notably below the Organization for Economic Co-operation and Development (OECD) average of 74.0%. The gap in labor force participation is primarily driven by lower participation rates among women, which stood at 41.7%, for those aged 15 and above (footnote 9), compared to the OECD average of 67.0%. Many youths, not in education, employment, or training amount to around 30% or 100 million are also growing concerns.



Early Warning System Project Analysis

The program is classified as Category B for environment. All activities will be implemented within existing public Industrial Training Institutes (ITIs) and National Skill Training Institutes (NSTIs), with no new land acquisition required. Environmental impacts are expected to be limited to construction and operational activities within these facilities, and no significant, irreversible, or unprecedented effects are anticipated.

The program is classified as Category C for involuntary resettlement. All activities will be implemented within existing public Industrial Training Institutes (ITIs) and National Skill Training Institutes (NSTIs), and no land acquisition or involuntary resettlement is required. The program design ensures that there will be no displacement of people or loss of assets or livelihoods as a result of project activities. This approach eliminates the risk of involuntary resettlement impacts and ensures that all interventions are confined to government-owned premises.

The program is classified as Category B for Indigenous Peoples. All activities will be implemented within existing public ITI and NSTI premises, ensuring no adverse impacts on the dignity, human rights, livelihood systems, cultural integrity, or territories of Indigenous Peoples. The program is designed to benefit scheduled tribes by improving their access to quality training, which is expected to enhance employment outcomes and contribute to the overall socioeconomic upliftment of their communities. Consultations with scheduled tribes and other stakeholders were conducted, and an Indigenous Peoples Plan has been prepared and disclosed. The program's approach ensures that Indigenous Peoples are included as beneficiaries without risk of negative impacts.



Investment Description

- Asian Development Bank (ADB)

Regular ordinary capital resources loan: \$846,000,000

World Bank (Not ADB-administered): \$846,000,000

Government Counterpart: \$308,000,000

Beneficiaries (state governments): \$1,330,000,000

Others (private sector): \$670,000,000

Total: \$4,000,000,000



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

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>.



Bank Documents

- [Loan Agreement for Loan 4702-IND: Supporting Pradhan Mantri Skilling and Employability Transformation](#)
- [Program Agreement for Loan 4702-IND: Supporting Pradhan Mantri Skilling and Employability Transformation](#)
- [Supporting National Industrial Training Institute \(ITI\) Upgradation Program: Draft Program Safeguard](#)
- [Supporting National Industrial Training Institute \(ITI\) Upgradation Program: Indigenous Peoples Plan](#)
- [Supporting National Industrial Training Institute \(ITI\) Upgradation Program: Program Safeguard System](#)
- [Supporting Pradhan Mantri Skilling and Employability Transformation through Upgraded Industrial Training Institutes](#)
- [Supporting Pradhan Mantri Skilling and Employability Transformation through Upgraded Industrial Training Institutes](#)

Media

- [ADB Approves \\$846 Million Loan to Boost Skills and Employability in India](#)