

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Madhya Pradesh Skills Development Project
Lending/Financing Modality:	Project Loan	Department/Division:	South Asia Department/ Human and Social Development Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The low employability of India's youth is one of the major binding constraints to inclusive growth. More than 50% of India's population of 1.3 billion is below 25 years, and around 65% is below 35 years. Of India's working age population (aged 15 to 59 years) of 431 million, 29% is illiterate and another 24% has studied only until the primary level or below. Only 17% of the labor force has senior secondary (grades 11 and 12) and higher levels (including diplomas, graduates, and above) of education. India's Twelfth Five-Year Plan, 2012–2017 therefore, regards the generation of productive and gainful employment on a large scale to absorb India's growing labor force as being critical for inclusive growth and poverty reduction. India's National Skill Development Policy (2009 and 2015) provides the framework for reforming technical and vocational education and training (TVET) programs at the national and state levels, and aligning them to the changing needs of the market to boost human capital development. The Asian Development Bank (ADB)'s India country partnership strategy, 2013–2017, which aims to support India's efforts towards inclusive growth, recognizes education (with focus on TVET) as a new sector in ADB's India operations.<sup>a</sup> The proposed project will assist the Government of Madhya Pradesh (GOMP) in modernizing and reforming the state's industrial training institutes (ITIs), and in improving the access of underserved and vulnerable sections including women, people with disabilities (PWDs), and those living in remote areas, to good quality TVET and livelihood development opportunities.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** Madhya Pradesh's poverty and socioeconomic and demographic profile lags behind India's average. Nearly 31.6% of the state's population is below the poverty line (BPL) as compared to 21.9% for India. While 25.7% of India's rural population and 13.7% of its urban population is BPL, the corresponding figures for Madhya Pradesh (35.7% and 21.0% respectively) are much higher. The proposed project will target the youth and workforce belonging to low-income households in both, urban and rural areas. It will improve the quality and reach of government ITIs and state-funded TVET programs on which the relatively lower income youth and workers depend.

**2. Impact channels and expected systemic changes.** The project will bring about the desired changes through the following impact channels: (i) It will upgrade 12 ITIs covering the main economic zones of Madhya Pradesh so that high-end training in growing sectors and emerging areas such as electronics, telecommunication, electrical, automotive, industrial production, and manufacturing can be offered. (ii) New technical training equipment will be provided to 150 government ITIs so that the low-income students can also benefit from the latest training and get nationally recognized skills certificates. (iii) At present, of the 213 government ITIs in Madhya Pradesh, only 13 have hostels for males. None of the co-educational ITIs have hostels for females. Hence, separate hostels, accommodating on average, 90 males and 30 females, will be constructed at 38 select ITIs. In addition to bringing good quality TVET within reach of needy students residing in the rural and remote places of Madhya Pradesh, this intervention will also help to improve enrollment of females in ITIs. (iv) The project will fund short-term, training and livelihood development programs for the benefit of women, PWDs, and those living in remote areas. For those who already have some skills but no formal certification, the option of recognition of prior learning (RPL) will be provided in trades such as construction.<sup>b</sup> By getting a National Skills Qualification Framework-aligned certificate, Madhya Pradesh's informal sector workers will be able to command better wages. The RPL certificate will be recognized across India, thereby, increasing the options for informal sector workers should they wish to migrate out of Madhya Pradesh. (v) ITI, Indore will be redesigned into a model center for training PWDs, deaf, hard of hearing, and visually impaired students. Course materials and training equipment, which is tailored for the special needs of these students, will be procured. The ITI instructors will be sensitized and retrained so that they can engage with these students in an appropriate manner. (vi) Madhya Pradesh is known for several types of traditional handicrafts which have seen a decline owing to the spread of machine-made fabrics, lack of marketing support, and outmoded methods of weaving. The project will upgrade two handloom and handicrafts training institutes to benefit the poor and vulnerable segment of traditional weavers.

**3. Focus of (and resources allocated in) the PPTA or due diligence.** The PPTA will help in undertaking due diligence and district-wise stakeholder consultations for designing the proposed ADB support. Poverty and gender concerns will be factored as highlighted in section 2 below.

### II. GENDER AND DEVELOPMENT

**1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project?** Madhya

<p>Pradesh lags behind other states of India with respect to education, health, and social indicators pertaining to women. While Madhya Pradesh's literacy rate increased from 63.7% in 2001 to 70.6% in 2011, it was lower than the national average of 74%.<sup>c</sup> Male literacy was 80.5% and female literacy was 60.0%, as compared to the national average of 82.0% and 65.0% respectively.<sup>d</sup> The sex ratio of Madhya Pradesh (930 females per 1,000 population) is also lower than all India level (940 per 1,000). Health indicators (e.g. infant mortality rates, maternal mortality rates) are worse for Madhya Pradesh than the corresponding all-India averages. The share of females who marry below age 18 is higher in Madhya Pradesh than the all-India average. From the perspective of the TVET sector, it should be noted that in 2011, the female workforce participation rate (WPR) in rural Madhya Pradesh was 39.3% while that for males was 54.3%. However, in urban areas, female WPR is a dismal 15.1% as compared to 51.7% for males.</p>
<p><b>2. Does the proposed project have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?</b>  <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>In order to address the problem of low female WPR, the project will (i) incorporate gender concerns into the design and delivery of all TVET programs. Separate communication and counselling material will be prepared to reach out to females of different backgrounds. (ii) The separate hostels that will be constructed for females in 38 ITIs will provide an opportunity for those residing in small towns and rural areas to enroll. (iii) Typically, ITIs focus mainly on trades such as fitters, plumbers, welders, electrical which are of limited interest for most females. The project will therefore, fund training in service sector-oriented jobs such as retail, beauty and wellness, hospitality, tourism, banking and financial services, etc., which are more attractive for females. (iv) For those who already have some skills but no formal certification, the option of RPL will be provided. (v) ITI, Indore will be redesigned into a model center for training PWDs, deaf, hard of hearing, and visually impaired students (including females). Course materials and training equipment, which is tailored for the special needs of these students, will be procured. The ITI instructors will be sensitized and retrained so that they can engage with these students in an appropriate manner. (vi) The project will upgrade two handloom and handicrafts training institutes to benefit the poor and vulnerable segment of traditional weavers (including females).</p>
<p><b>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?</b>  <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    Please explain</p> <p>No. As explained above, several project activities and outputs will help to improve the access of females to good quality TVET opportunities, thereby, empowering them and helping them to improve their livelihoods.</p>
<p>4. Indicate the intended gender mainstreaming category:  <input type="checkbox"/> GEN (gender equity theme)    <input checked="" type="checkbox"/> EGM (effective gender mainstreaming)  <input type="checkbox"/> SGE (some gender elements)    <input type="checkbox"/> NGE (no gender elements)</p>
<p><b>III. PARTICIPATION AND EMPOWERMENT</b></p>
<p><b>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</b> The primary stakeholders (and beneficiaries) of the project are unemployed and/or out-of-school youth belonging to low-income households, and students studying in government ITIs. Secondary stakeholders include the parents of these youth, students, teachers, and vocational training providers, potential employers, nongovernment organizations (NGOs), and GOMP. Focus group discussions will be conducted in a sample of districts, covering representatives of different stakeholder groups. Youth aspiration surveys and demand assessments will also be undertaken in the areas close to the ITIs that are selected for upgrading under the project.</p>
<p><b>2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?</b> Please see responses to questions 1 and 3 in this section.</p>
<p><b>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?</b>  <input checked="" type="checkbox"/> Information generation and sharing (High)    <input checked="" type="checkbox"/> Consultation (High)    <input type="checkbox"/> Collaboration    <input type="checkbox"/> Partnership</p> <p>Local NGOs will be consulted during program design. Their assistance will be taken to organize focus group discussions focusing on the needs, concerns, and aspirations of women and poor students. NGOs will also be involved, as required, in designing and implementing counselling and training programs for livelihood and entrepreneurship development initiatives focusing on the rural and urban poor.</p>
<p><b>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how will they be addressed?</b> <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Please see response to section VI, question 2.</p>
<p><b>IV. SOCIAL SAFEGUARDS</b></p>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A    <input type="checkbox"/> B    <input checked="" type="checkbox"/> C</p>
<p><b>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?</b> <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>The project will not involve any acquisition of new land or involuntary resettlement. GOMP has given assurance that</p>

the upgrading of civil works and construction of the new global skills park will take place within premises owned by government departments.
<b>2. What action plan is required to address involuntary resettlement as part of the PPTA or assessment process?</b> <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None
<b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C
<b>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of Indigenous Peoples?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>3. Will the project require broad community support of affected indigenous communities?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>4. What action plan is required to address risks to Indigenous Peoples as part of the PPTA or the program assessment process?</b> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None The share of scheduled tribes (i.e. indigenous people) in Madhya Pradesh's population is 21.1%. This is higher than the corresponding share of scheduled tribes of 15% in India's total population. However, the proposed project will not in any way, directly or indirectly, affect the dignity, human rights, livelihood systems, culture, or territories of indigenous people. The project is not going to affect the tribals negatively in any way. First, no land (including tribal land) is being acquired for the project. The project activities (civil works and training) will not encroach upon any tribal land, livelihood system, culture and assets. All the civil works upgrading, and long-term training of 1 to 2 year duration) will take place within long established ITIs. Participation in the ITI training programs is voluntary. Second, as regards the establishment of the GSP, the site earmarked for it is within Bhopal, the capital city. There will not be any impact on tribal communities. Third, the short-term training programs (3 to 4 months) to be offered under the Project will focus on the more remote and backward parts of the state. This will provide an opportunity for all needy segments (including women and artisans etc.) to enroll for these courses should they so desire. Since enrolment in the training courses will be totally voluntary, there will not be any negative impact.
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<b>1. What other social issues and risks should be considered in the project design?</b> <input checked="" type="checkbox"/> Creating decent jobs and employment (H) <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (N/A) <input type="checkbox"/> Increase in human trafficking (N/A) <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____
<b>2. How are these additional social issues and risks going to be addressed in the project design?</b> Not relevant
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<b>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or the due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>2. What resources (e.g., consultants, survey budget, and budget for workshop) are allocated for conducting poverty, social, and/or gender analyses, and participation plan during the PPTA or due diligence?</b> Experienced consultants (e.g., labor economist and gender specialist) have already been engaged using staff consulting budget to examine ways in which the needy sections of Madhya Pradesh including females, BPL youth, and PWDs can benefit from the improved TVET schemes to be supported under the project. PPTA resources will be used for undertaking surveys and focus group discussions to identify relevant vocational and livelihood development courses for females and PWDs, incorporate gender concerns into the outreach and counselling material, assist ITI staff in identifying measures for increasing the enrollment of females, and help project authorities in collecting and tracking gender-disaggregated data and targets for all relevant output and outcome indicators.

<sup>a</sup> ADB. 2013. *Country Partnership Strategy: India, 2013–2017*. Manila.

<sup>b</sup> The RPL framework is an outcome-based qualification framework linked to the National Skills Qualification Framework against which prior learning through formal and informal channels is assessed and certified. It includes a pre-assessment, skill gap training, and final assessment leading to certification of the skills possessed by an individual.

<sup>c</sup> Government of India, Ministry of Finance. *Economic Survey of India 2015–2016 and Census 2011*. Delhi.

<sup>d</sup> Government of India, Finance. 2011. *Census 2011: Provisional Population Totals*. Delhi. [http://censusindia.gov.in/2011-prov-results/data\\_files/mp/01Content.pdf](http://censusindia.gov.in/2011-prov-results/data_files/mp/01Content.pdf)