

**INDIA SIGNS AGREEMENT WITH ADB FOR A LOAN OF US \$100 MILLION TO SUPPORT KERALA'S ADDITIONAL SKILL ACQUISITION PROGRAM; 2,35,000 NEEDY STUDENTS IN KERALA TO BE BENEFITED UNDER THE PROGRAM DURING 2014-2018**

New Delhi, November 28, 2014

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An agreement was signed here yesterday with Asian Development Bank (ADB) for a loan of \$100 million to support the State of Kerala in its initiative to increase the employability of higher secondary and undergraduate students by way of providing opportunities to improve their English fluency and IT skills, and to learn market relevant, in-demand vocational skills outside regular school hours. Nearly 2,35,000 needy students in Kerala will be benefited under the program during 2014-2018.

The Agreements was signed by Shri Tarun Bajaj, Joint Secretary, Department of Economic Affairs, Ministry of Finance on behalf of the Government of India, Ms. M. Teresa Kho, Country Director on behalf of the Asian Development Bank and Dr. M.T. Reju, Chief Executive Officer (CEO), ASAP, Higher Education Department on behalf of the Government of Kerala.

This \$100 million loan for supporting Kerala's Additional Skill Acquisition Program (ASAP) is the first Results Based Lending (RBL) facility from ADB in India. Key outputs of market-relevant vocational training introduced in post-basic education; enhanced access to quality vocational training; increased awareness and facilitation of private sector participation as also improved program management and monitoring and evaluation would be considered for disbursement of due amounts.

Speaking on the occasion, Shri Tarun Bajaj said that the RBL modality, the first time being used in India, will reinforce country systems, incentivize results, and reduce transaction costs. This loan provides a replicable model for other States that are facing the problems of low youth employability and high unemployment.

Ms. M. Teresa Kho, Country Director, Asian Development Bank said that by offering 180 hours of foundation training in communication English and basic IT, and 120-520 hours of vocational training to high school and undergraduate students, after class and during vacations, ASAP will make them “market ready” by the time they graduate.

A capacity building technical assistance (TA) of \$1.5 million, financed by the Japan Fund for Poverty Reduction (JFPR), was also signed on this occasion.

The ASAP Secretariat has been engaging closely with industry associations and sector skills councils in identifying market-relevant courses, designing the curriculum and training methods, identifying internship, and placement opportunities. It has already enrolled more than 16,000 students and started offering vocational training in 70 market-relevant courses.