

Project Summary for Public Disclosure

Project Name	Development of Educational Infrastructure for Highly Skilled Workforce
Country	The Russian Federation
Sector	Social Infrastructure
Concept Approval Date	September 2019 (first edition) November 2019 (revision of the concept note)
Board Approval Date	24 December 2019
Total Project Cost	USD 600 million
Loan Amount	EUR loan equivalent to USD 500 million
Borrower	The Russian Federation
Implementing Agency	To be selected by the Russian Federation
Project Context	Russian employers consider workforce's lack of skills to be one of the biggest constraints to business expansion and growth. Russia's school enrolment rate is high, which suggests that the problem lies not so much with access to education. Low availability of highly skilled workforce in Russia reveals that the challenge is in the quality and relevance of education. Skills provided by Russia's education system are largely supply driven and do not match with the demands and evolving needs of its economic development, especially in the backdrop of a quickly digitalizing economy. As a result, compared in terms of labor productivity, Russia's labor productivity is only one third to half of that of the leading countries. This is especially true for engineering skills in manufacturing of machinery and equipment, electronic and optical products, car, railway transport, civil aviation, shipbuilding, and etc.
Project Objective	The Project aims to supply highly skilled engineering workforce to the labor market through providing necessary educational infrastructure to Russian higher education institutions (HEIs).
Project Description	The Project will establish Advanced Engineering Schools at about 30 HEIs in Russia to prepare graduates with solid engineering skills. Establishment of the Advanced Engineering Schools involves development of new or redesign of existing education programs tailor-made for concrete enterprises (Industry Partners), along with new equipment, software, laboratories and other infrastructure elements necessary to carry out educational process and replicate successful practices across the country.

Expected Benefits	The Project will contribute to: (i) increased supply of highly skilled engineers; (ii) enhanced capacity in research and development of HEIs; and will result in increased labor productivity in Russia.	
Environmental and Social Aspect	The Project has been assigned category “B” in line with NDB’s Environment and Social Framework. Main environmental and social impacts of the Project will be associated with civil construction and installation works during construction of new laboratories and other buildings of educational infrastructure at participating HEIs. The Project will not require additional land acquisition or any resettlement.	
Financing Aspect	The total cost of the Project is estimated to be USD 600 million. The NDB will finance USD 500 million or 83% of the total estimated cost. The remaining balance will be financed by counterpart funds from the participating HEIs and Industry Partners.	
	Source of Fund	Amount (USD million)
	New Development Bank	500
	HEIs and Industry Partners	100
Implementation	The Project is estimated to be implemented over 7 years.	
Contacts	NDB	Implementing Agency
	Public Sector Department: He Tian	To be selected