

**VOCATIONAL TRAINING  
IMPROVEMENT PROJECT**

**OF**

**GOVERNMENT OF INDIA**

**PROJECT IMPLEMENTATION PLAN**

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**Prepared for  
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**by**

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The Provisions indicated in this Project Implementation Plan are subject to change, for successful implementation of the Project, if agreed both by DGE&T, MoLE and World Bank.

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### Abbreviations and Acronyms

AHI	Apex Hi-tech Institute, Bangalore
ATI	Advanced Training Institute
ATI-EPI	Advanced Training Institute for Electronic Process Instrumentation
BBBT	Broad Based Basic Training
CoE	Centre of Excellence
CSS	Centrally Sponsored Scheme
CSTARI	Central Staff Training and Research Institute, Kolkata
CW	Civil Works
DEA	Department of Economic Affairs
DGE&T	Directorate General of Employment & Training
EDUSAT	Educational Satellite
FTI	Foremen Training Institute
GOI	Government of India
IDA	International Development Association
IDP	Institutional Development Plan
IMC	Institution Management Committee
IMP	Instructional Media Package
INR	Indian Rupee
ITC	Industrial Training Center (these are privately-funded)
ITI	Industrial Training Institute
ITW	Instructor Training Wing
MoLE	Ministry of Labour & Employment
MOF	Ministry of Finance
MOU	Memorandum of Understanding
NIMI	National Instructional Media Institute at Chennai
NLI	VV Giri National Labour Institute, Noida
NPD	National Project Director
NPIU	National Project Implementation Unit
NVTI	National Vocational Training Institute for Women, Noida
PIP	Project Implementation Plan
PWD	Public Works Department
RVTI	Regional Vocational Training Institute
SPIU	State Project Implementation Unit
TCPO	Training, Career and Placement Officer
TOR	Terms of Reference
UC	Utilization Certificate
UT	Union Territory
VTIP	Vocational Training Improvement Project



## **SECTION I – BACKGROUND**

### **1. Current System of Vocational Training**

#### ***1.1 National Roles and Responsibilities***

The Directorate General of Resettlement & Employment (DGR&E), now known as the Directorate General of Employment & Training (DGE&T), was set up in 1945 for the purpose of resettling demobilized Defence Service personnel and discharged War Workers in civil life. After Independence in 1947, the Directorate General was also called upon to handle the work relating to displaced persons from Pakistan. Subsequently, the scope of the Directorate General was extended to cover employment service to all categories of job seekers in early 1948, and training services to all civilians in 1950. The day-to-day administrative control of the Employment Exchanges and Industrial Training Institutes (ITIs) was transferred to the State Governments / Union Territory Administrations with effect from 1956.

The vocational training system under the Ministry of Labour and Employment (MoLE) is one of the most comprehensive systems in the country. Under the system, the Craftsmen Training Scheme (CTS) and Apprenticeship Training Scheme (ATS) are two important schemes. The CTS provides structured institutional training while the ATS is a combination of institutional and on-the-job training in which the trainees are exposed to industrial environment. The schemes are interlinked and dovetailed to achieve more effective results. At present, there are 5,114 ITIs and Industrial Training Centers (ITCs) with a training capacity of 773,000; under ATS about 254,000 seats are located for training the apprentices (as of June 2006) in 20,800 enterprises.

DGE&T in the Ministry of Labour & Employment is the nodal agency responsible for conducting vocational training programs to meet the skilled manpower requirement of industry. Because vocational training is a concurrent subject the Central Government is responsible for laying down norms, standards, policies, conducting of trade tests, and award of certificates. Other major responsibilities include research in vocational training, development of instructional materials and affiliation of ITIs/ITCs, whereas State Governments / Union Territories are responsible for day to day administration of Employment Exchanges and ITIs. Each State Government has a Directorate of Technical Training / Directorate of Employment & Training which is responsible for:

- (a) Carrying out the policy laid down by the National Council for Vocational Training (NCVT)
- (b) Ensuring examinations are conducted by the State Board of Examinations
- (c) Issuing the National Trade Certificates
- (d) Arranging for inspection of training institutes / centers
- (e) Affiliating trade units of training institutes / centers
- (f) Conducting NCVT and non NCVT courses
- (g) Implementing the provisions of Apprenticeship Act in respect of State Government / Private establishments and providing employment services.

Courses offered through DGE&T are available for school dropouts; ITI graduates, ITI instructors, industrial workers, technicians, junior and middle level executives, supervisors/foremen, women, physically disabled persons, SC/STs, ex-servicemen, retrenched workers, etc. It also conducts training-oriented research & development of instructional media packages for the use of trainees and instructors, etc.

In addition to the programs conducted by the DGE&T, there are several programs and training activities under the control of other Government departments and ministries. These include the programs of Vocational Education of the Ministry of Human Resource Development (MHRD), Department of Women & Child Development, Ministry of Rural Areas & Employment, the Community Polytechnics Scheme of the MHRD, training activities of the Ministry of Industries and that of the Khadi & Village Industries Commission, etc. Their programs largely cater to the need of the informal sector in a limited manner.

Two tripartite bodies—the Central Apprenticeship Council (a statutory body) and the National Council for Vocational Training (a non-statutory body) - advise the GOI on formulating policies and procedures, and prescribing standards and norms for vocational training schemes. Both bodies have representatives from the Central and State governments, employers organizations, workers organizations and vocational training experts. Correspondingly, State Councils advise the State governments in respect of vocational training at the State level.

### ***1.2 Institutions of Importance***

Central and State Governments have been active in expanding the vocational training system and enhancing its effectiveness. The important institutions under MOLE are as given below:

- 9 Advanced/Central Training Institutes (ATI / CTI) at Kolkata, Hyderabad, Kanpur, Chennai, Ludhiana, Mumbai, Dehradun, (2 each at Hyderabad & Chennai) train crafts instructors of ITIs in 27 trades with an annual intake of 1099. The Instructors of private ITCs can also apply for Craft Instructor Courses in the Institutes conducting such programs. Instructors are trained in developing the skills required for imparting practical skills and related instructions. They are also trained in the methods and applications of instruction (pedagogical knowledge) for effective teaching of trade skills together with techniques of evaluating the work of trainees.
- Central Staff Training and Research Institute (CSTARI) at Kolkata—activities of the Institute cover: (a) research and development of course curricula for new trades and revising and updating existing trades for use in ITIs / ITCs after approval by the NCVT; (b) conducting problem-oriented research studies on different aspects of vocational training to bring qualitative improvements in training and for effective implementation of the National Vocational Training System; (c) training management personnel from State Directorates of training, training departments of industrial establishments, and (d) conducting special training programs in non-formal areas for instructors of Vocational Rehabilitation Centres for the Physically Handicapped.



- 6 Regional Directorates of Apprenticeship Training, at Mumbai, Kanpur, Kolkata, Chennai, Hyderabad & Faridabad, implement the Apprenticeship Act 1961 in respect of trade apprentices in the Central Government Undertaking and departments in the regions allotted to them. They also survey Central Government agencies and departments for location of seats for apprenticeship training. They conduct joint inspections in ITI/ITC with State Directorates for affiliation under NCVT. The regions allotted to each RDAT are:
  - Chennai:** Tamil Nadu, Pondicherry, Kerala, Lakshadweep
  - Faridabad:** Haryana, Chandigarh, Punjab, Delhi, Rajasthan, Himachal Pradesh, Jammu & Kashmir
  - Hyderabad:** Andhra Pradesh, Karnataka
  - Kanpur:** Uttar Pradesh, Madhya Pradesh, Uttaranchal, Chhattisgarh
  - Kolkata:** West Bengal, Bihar, Tripura, Assam, Nagaland, Orissa, Mizoram, Arunachal Pradesh, Andaman & Nicobar, Jharkhand
  - Mumbai:** Maharashtra, Gujarat, Goa, Daman & Diu, Dadara & Nagar Haveli
- The National Vocational Training Institute for Women (NVTI) is the pioneer Institute located in Noida. The Institute offers courses at three skill levels i.e. Basic, Advanced and Post Advanced. The courses include skill areas like Dress Making, Computers, Stenography, Electronics, etc. Besides regular courses, the institute also organizes short term / modular and specialized courses for women in skill areas related to the advanced courses.
- 10 Regional Vocational Training Institutes for Women at Mumbai, Bangalore, Thiruvananthapuram, Hissar, Kolkata, Tura, Indore, Allahabad, Vadodara and Jaipur. These institutes conduct similar courses to those offered by NVTI Noida.
- Foremen Training Institutes (FTI) at Bangalore and Jamshedpur train existing and potential shop floor foremen and supervisors in technical and managerial skills through long term and short term courses. They also offer short term and tailor made courses suiting to the needs of the Industry.
- 4 Model Industrial Training Institutes at Haldwani (Uttaranchal), Calicut (Kerala), Choudwar (Orissa) and Jodhpur (Rajasthan). These institutes have been set up by the GOI to conduct restructured pattern of Craftsmen Training Program on modular basis in the areas of Electrical and Electronics, Mechanical and Heat Engine group of trades. One-year Broad Based Basic Training (B.B.B.T.) in different skill areas of the trade group is provided so that a broad foundation is laid at the end of first year of training. At the end of first year basic training an All India Trade Test is conducted by NCVT, with a “National Trade Certificate in Basic Training” being awarded to successful trainees. In the second year, trainees may opt for one of the employable modules.
- National Instructional Media Institute (NIMI) at Chennai is an autonomous institution, responsible for:

- Developing and disseminating instructional materials in the form of Instructional Media Packages (IMPs)<sup>1</sup> for use of instructors and trainees of various trades under Craftsmen and Apprenticeship training. The Institute has developed more than 100 books under the CTS besides various charts.
- Developing Question Banks to conduct All India Trade Test for Craftsmen Trainees and “Awareness Training Programme/ “multiplier Training Programme” for effective use of IMPs to the Instructors of ITI/ITC to enable effective implementation of Vocational Training.

The above instructional material developed is also used by the apprenticeship trainees while appearing for the All India Trade Test for Apprenticeship.

- The Apex Hi-Tech Institute (AHI), Bangalore was set up in 1993 under Hi-tech training scheme implemented with the assistance from IDA. The institute has been conceptualized as DGE&T's core institute for high level demand driven training.
- 20 Vocational Rehabilitation Centres for Physically Handicapped persons have been functioning in the country. These centres evaluate the residual capacities of the handicapped and provide them with adjustment training, facilitating their early economic rehabilitation. An effort is also made to assist them to obtain other suitable rehabilitation services such as job placement, training for self employment and in-plant training.
- 22 Coaching cum Guidance Centers for SC/ST have been set up to provide employment related coaching cum guidance to the educated SC/ST registrants. They also provide on job requirements and the type of tests/interviews they are likely to undergo when called by the employers.
- Central Institutes for Research, Training & Employment Services. Delhi is responsible for: (a) training officers of Employment Services; (b) undertaking research relating to activities of the Employment Service and (c) disseminating career literature useful to students, job seekers and parents.
- V.V. Giri National Labour Institute at Noida was established in 1974 as an autonomous institution of the Ministry of Labour, GOI. The Institute is a premier national institution involved with research, training, education, publication and consultancy on labour related issues. The core activities of the Institute are:
  - Addressing the issues of transformation of the world of work in a global economy
  - Projecting labour issues as a core concern of policy making
  - Empowering the social actors with capacities to meet the challenge of change
  - Highlighting the role of labour in shaping of modern India
  - Preserving and disseminating information on labour matters.

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<sup>1</sup> IMPs comprising of books on Trade Theory, Trade Practical, Test/Assignment, Instructor's guide, Visual aids, support material such as books on Workshop Calculation & Science, Reference text books, Table Books etc

### ***1.3 Major Schemes in Vocational Training***

DGE&T offers a range of training programs catering to the needs of different segments of the society. These are:

- Training of Schools Leavers:
  - Training is offered in 107 trades through ITIs managed by States. Duration of the programs, which prepare trainees for employment as semi-skilled workers, varies from 6 months to 3 years, and the entry qualifications vary from Class VIII to 10+2 certificates. A total of 773,000 seats are available under this scheme at ITIs with reservations for SC/ST/OBC students, as well as for women, disadvantaged persons, ex-servicemen, etc.
  - The National Council for Vocational Training conducts All India Trade Tests (AITT). National Trade Certificates (NTC) and National Apprenticeship Certificates (NAC) are awarded by NCVT to trainees/apprentices who successfully complete the course.
- Apprenticeship Training is offered to school-leavers and ITI graduates. They are taken care off by the MoLE as per the course curriculum through a network of 20,800 industrial establishments (with 254,000 training places) in 153 designated trades. This scheme is implemented in the Central Government industrial establishments through 6 Regional Directorates of Apprenticeship Training located at Chennai, Faridabad, Hyderabad, Kanpur, Kolkata and Mumbai, and in the State Government and private sector establishments by the Directorates of Technical Training/ Directorates of Employment & Training of each State Government. All India Trade Tests (AITT) are conducted for the apprentices under the aegis of the NCVT twice a year, and the successful candidates are awarded National Apprenticeship Certificates (NACs).
- Some basic vocational training programs are provided exclusively for women. There are currently 12 trades in which Basic, Advanced & Post Advanced courses are conducted. These trades are: Electronics, Dress Making, Computers, Stenography, Desk Top Publishing, Instrument Mechanic, Fruit & Vegetable Preservation, Fashion Technology, Architecture Draughtsmanship, Hair & Skin Care, Practice of Teaching, Secretarial Practice) through 883 ITIs with an intake capacity of 47,538. Additionally, basic, advanced and instructors' skill training and short-term programs are offered to 3,000 women candidates at the National Vocational Training Institute (NVTI) and 10 Regional Vocational Training Institutes (RVTI). All India Trade Tests are conducted under the aegis of the NCVT, with National Trade Certificate awarded to successful candidates
- Training of Industrial Workers: In collaboration with the UNDP/ILO, DGE&T in 1977 initiated short term/tailor made training programs at 6 ATIs and 16 ITIs for serving industry workers to update skills in their field of work. Tailor-made programs to meet specific industry requirements are also offered. The duration of these courses ranges from one week to six weeks. The respective Institute issues the certificate to the participants on successful completion of the course.
- Crafts instructor training for potential and existing instructors of Training Institutes in 24 trades with annual intake capacity of 1,100 is offered at five Advanced Training

Institutes and one Central Instructor Training Institute, Chennai. The objective of the course is to train instructors in the techniques of imparting industrial skills, who in turn would train semi-skilled/ skilled manpower for the world of work.

- DGE&T established two Foremen Training Institutes (FTIs) at Bangalore (established in collaboration with technical and financial assistance from the State of Baden Wuerttemberg of Federal Republic of Germany) and Jamshedpur for technological and behavioral upgradation of supervisory skills. The objective of the Institutes is to train existing and potential shop-floor foremen and supervisors in technical and managerial skills through long-term and short-term courses. The objectives include consciousness of better quality and productivity, ability for problem solving, cost reduction, and application of modern technology etc. The institute, besides offering regular courses on Diploma and Post Diploma in Foremanship, offers short-term courses as well as tailor-made courses suiting to the needs of industries. Training courses are offered in areas like CAD, CNC technology, Welding, Engineering Instrumentation and Metrology, Pneumatics, Electro-pneumatic, Production Planning and Management, Quality Control, Basic Electronics and Supervisory Development etc. The courses are popular amongst public and private sector establishments and other Governmental Organizations, which have been availing the training facilities for the training of their supervisory personnel.
- Advanced Training courses in Electronics and Process Instrumentation are being organized in the Advanced Training Institutes for Electronics and Process Instrumentation (ATI-EPI) established at Hyderabad and Dehradun. The objective of these courses is to train skilled personnel at technician level in the fields of Industrial, Medical and Domestic Electronics and Process Instrumentation by organizing short-term and long-term courses according to the needs of the industry and also to offer training for Instructors of ATIs, ITIs and other training institutes in the specialized fields of Electronics and Process Instrumentation. New courses in maintenance & operation of Cardiac equipment, Intensive care instruments, E.M.G, etc. have been offered in Consumer Electronics, courses on Maintenance and Servicing of Cable TV equipment and CD players have been started.

## **2. Major Issues in Vocational Training**

During the recent past, the following commissions, committees and working groups have analyzed the vocational training system in the country:

- Task Force of the Planning Commission on Employment Opportunities (2001)
- Working Group of the Planning Commission on Skill Development and Training for the Xth Five-Year Plan (2001).
- Second National Commission on Labor (2002).
- Special Group of the Planning Commission on Targeting Ten Million Employment Opportunities per Year (2002).
- Expert Group on Upgradation of Training & Skill Development Program of the Director General Employment & Training of the Ministry of Labor & Employment, Government of India (2003).
- ILO Study: *Industrial Training Institutes of India: The Efficiency Study Report*

- The World Bank Report on Skill Development in India: *The Vocational Education and Training System* (January 2006).
- Working Group on Skill Development and Vocational Training, set up by Planning Commission for the XIth Five Year Plan (2006)
- CII Skills Development Initiative - Concept Note

The major issues identified by the various commissions and groups, which require early attention are:

- Mismatch between skills requirement of the world of work and those produced by the National Vocational Training System.
- Requirements of modern high-tech industries and services sectors are not properly taken care of.
- Inadequate involvement of stakeholders in the design and implementation of training programs.
- Emphasis on qualitative aspects of training is lacking.
- Inadequate budget provision for raw materials, consumables and maintenance in most ITIs. Infrastructure in ITIs is poorly maintained.
- Substantial numbers of ITI trainers are not qualified/certified Crafts Instructors.

Recommendations made by the Commissions, groups and studies include:

- A labour market information system should be established, and research on vocational training strengthened.
- Public-private partnership needs to be strengthened.
- Special emphasis should be given to training and development of trainers and other staff associated with skill development programs.
- Mechanism for quality control and accreditation should be strengthened.
- Modularization and multi-skilling of programs needs to be carried out.

With regard to formal vocational training, the recent GOI-World Bank study (2006) has identified the following issues in the CTS:

- Fragmentation in the management of the system.
- Lack of information on vocational training programs and opportunities.
- Labor market outcomes for graduates of the training system are fairly poor. Employers experience problems finding employees with the right skills.
- Industry involvement in the vocational training system is nascent.
- ITIs have low to nil interest in their financial state of affairs, as there are no incentives to improve their performance.
- Data suggests that, apart from ITCs, India has a weak non-public training market.
- Key problems faced by private training providers include lack of access to resources and regulatory barriers hindering entry into the training market.

The GOI-World Bank study suggests the following actions over the next 3-5 years for improving the outcomes of the CTS:

- Increasing involvement of employers in the design of training curricula and in the management of ITIs/ ITCs with significant functional autonomy;
- Establishing a system for web-based provision of information on the nature and quality of training at the State and National levels;
- Instituting systems for regular and independent evaluations on the impacts of training programs;
- Allowing institutions greater autonomy with accountability in deciding conduct of formal and non-formal training programs and discontinuation of unpopular ones, increasing/decreasing enrolments as per market demand, recruitment of instructors and trainers; and generating, retaining and utilizing revenues; and
- Moving from ad hoc financing of institutions to transferring resources on the basis of input or output criteria or a combination of both.

### **3. The Project**

#### ***3.1 Project Development Objective***

The Union Finance Minister in his Budget Speech of 2004-05 stressed the need to improve the quality of vocational training. He stated:

*“I am concerned about the quality of technical education in this country. Lest I be misunderstood, I am not referring to IITs but to the ITIs. ITIs are the training ground for skilled manpower. The skills imparted by ITIs must keep pace with the technological demands for industry and the expanding universe of knowledge. There is only one benchmark for our technicians – and that is world standard. In order to produce technicians of world standard, Government proposes to launch a program in the Central sector to upgrade 500 ITIs over the next 5 years at a rate of 100 ITIs a year. Appropriate infrastructure and equipment will be introduced. This is an area where I welcome Chambers of Commerce and Industry to join hands with the Government and create a public-private partnership model for designing and implementing the scheme. The selection of the ITIs will be done in consultation with the State Governments.”*

#### ***3.2 Project Objectives***

To achieve the Government’s goals, the employment outcomes for graduates from the vocational training system must be improved by making the design and delivery of training more demand responsive. As a consequence, the broad objectives of the Project are to:

- Produce high quality craftsmen from publicly funded ITIs,
- Enhance knowledge and skills of ITI instructors and trainers,
- Promote innovations, and
- Bring about systemic reforms.

### ***3.3 The Project Strategy***

The Project is centrally-coordinated. It will establish Centres of Excellence (CoEs) and upgrade the training of conventional trades in ITIs. A domestically-funded program to develop CoEs in 100 ITIs commenced in August 2005. Another 100 ITIs were upgraded as CoEs commencing in August 2006; these are financed on a retroactive basis using IDA funding from the project. Another 300 ITIs will be selected competitively based on their own plans for joining the project during the period 2007-2010. All State/UTs will be included, except Chandigarh, which has only two ITIs, one of which was included in the 100 ITIs being upgraded under phase-I.

In order to increase the training opportunities for instructors, 10 Instructor Training Wings will be established in selected ITIs in various States. They will be established in the ITIs only after the required facilities are available.

The Project will also strengthen centrally-funded resource institutions to improve curriculum development, instructional media development and instructor training within the system. Systems will be developed, studies undertaken and specialised training carried out to enhance the overall capability of the Craftsmen Training System.

A National Project Implementation Unit will be established to guide the States and institutions that join the Project. State Project Implementation Units will be established in the Project States.





## SECTION II – PROJECT DESCRIPTION

The project has three components: (i) Improving the Quality of Vocational Training, (ii) Promoting Systemic Reforms and Innovation, and (iii) Project Management, and Monitoring and Evaluation.

### **Component 1: Improving Quality of Vocational Training**

This component focuses on improving quality and relevance of training provided through ITIs. It involves: (i) 400 ITIs from various States and Union Territories, (ii) upgrading the training of instructors, and (iii) providing incentive funds to State/UTs to reward good performance.

#### ***Subcomponent 1.1: Strengthening Industrial Training Institutes***

This subcomponent strengthens the capacity of ITIs to provide quality training *in trades that are in demand in the economy*. New trades in demand may be started under the project. However, the component does *not* cover and does *not* finance – directly or indirectly - strengthening the training facilities in ITIs for trades that have a low level of local demand (measured by employment outcomes and by student take-up rates), or high drop-out rates.

Subcomponent activities comprise:

- modernizing equipment, existing workshops/laboratories, and constructing additional block for classroom, workshop, etc.;
- renovating existing buildings;
- providing equipment to support revised curricula,
- increasing the use of learning resources and media,
- recruiting instructors and trainers for training in advanced modules and newly introduced trades/units; and
- providing rented accommodation for visiting industry experts.

More details on eligible expenditure are in Section (c) below.

#### **(a) Types of Upgrading to Be Supported**

##### **(i) Establishing Centres of Excellence**

In most cases, strengthening will occur by establishing *Centres of Excellence (CoEs)* that focus on individual trade sectors covering multiple trades. Within their specified trade sectors, CoEs provide courses that meet the need for high quality craftsmen by the dominant local industries. The objective of CoEs is to produce a multi-skilled workforce of world standard. They have adopted a public-private partnership in the form of Institute Management Committees (IMCs) to ensure greater and more active involvement of industry in all aspects of training.

Within each trade sector the first year is made up of Broad-Based Basic (BBB) courses and is common across all ITIs offering courses in that sector. Training in the second year comprises two parts. The first involves students training in Advanced Training Modules (ATM) in ITIs for six months. The second involves placing students as apprentices in employers' establishments. Trainees are assessed at the national level under the aegis of NCVT for the Broad-Based Basic courses as well as the Advanced Training Modules.

The scheme envisages provision of multi-entry and multi-exit. Thus, after completing Broad-Based Basic courses during first year, trainees have the option to seek admission in an Advance Training Module of six months duration. After completing training in an ATM trainees are free to apply for admission to another ATM in the same sector. For example, in the Automobile sector a trainee, having completed training in the ATM 'Diesel Engine', may subsequently apply for admission to another ATM, say 'Petrol Engine'.

There is also provision for the lateral entry of graduates from ITIs in related trades (that is, NTC/NAC pass outs from the conventional system). Such trainees may be offered admission in an ATM subject to the availability of seats.

The facilities and instructors used to provide the ATMs may also be used to provide: short-term and tailor-made courses, including courses, provided on a cost-recovery basis, for employers; additional training for ITI graduates seeking to upgrade their skills; training for the informal sector; and training for ITI instructors (see Subcomponent 1.2, section (a) (ii) below). This use of the spare capacity is subject to IMC approval.

ITIs may establish only one CoE (that is, one industrial sector), reiterating that the project cannot support CoEs for trades that are not in demand (unpopular trades). However, they may also seek funds to upgrade trades which are related to the industrial sector covered by the CoE. Any request for additional /new trades to be upgraded will need to be justified and will be subject to the availability of funds.

#### **(ii) Upgrading ITIs**

It may not be feasible in a number of ITIs in several State/UTs to establish CoEs. In this case, ITIs may opt to upgrade individual trades. Only trades that are in demand can be upgraded and unpopular trades must be dropped before any upgrading of other trades can take place. New trades can be introduced. The number of trades that are upgraded plus the number of new trades introduced would normally be six. Any request for additional trades to be upgraded will need to be justified and will be subject to the availability of funds.

Demand for existing trades determined as follows:

- In the locality it is measured by the high employability of graduates in the previous two years, and
- For students it is measured by the average seat occupancy in the previous two years should have been at least 90% of capacity.

The ITIs financed under this item are termed Upgraded ITIs.

Need for further upgradation of project ITIs will be reviewed at the Mid-Term Review.

(b) Selection of Institutions

**(i) Eligibility Criteria**

In order for its institutions to participate in the project a State/UT must sign a Memorandum of Understanding with the GOI. The MoU defines the eligibility criteria that must be satisfied before a State/UT can receive funds.

***The MoU between individual State/UTs is in subsection (e) below.***

GOI has set a target of 400 ITIs to be supported under the project. They are chosen from among the eligible State/UTs and eligible institutions, which are also defined in the MoU.

*Group of 100 ITIs, August 2006 - Retroactive Financing*

The first 100 ITIs were selected before the project became effective and commenced operations in August 2006. GOI's expenditure on these ITIs *may* be financed retroactively. (An earlier group of 100 CoEs upgraded into CoE using domestic resources in 2005-06 is *not* covered by retroactive funding from this project.)

In order for retroactive financing to apply, the following conditions apply:

- It can cover only ITIs in State/UTs that have met the eligibility criteria set out in the MoU.
- It can cover only ITIs that have met the eligibility criteria set out in the MoU.
- It can cover only ITIs that submitted IDPs by April 2007. (See Sub-section (ii) *Institutional Development Plans*).
- It can cover only expenditure that was incurred using the World Bank procedures for procurement (see *Procurement Manual*).
- It can only cover expenditure incurred no earlier than 12 months prior to approval of the project by the World Bank's Board of Directors.
- It cannot exceed 20 percent of total IDA financing.

Claims for retroactive financing outside these conditions are borne by the respective State/UTs.

*Group of 300 ITIs, August 2007 and Beyond - Competitive Financing*

The remaining 300 ITIs will be selected competitively during the life of the project. Each State/UT has a notional allocation of ITIs to be selected to participate in the project (see Annex 3 for notional allocation of project ITIs among State/UTs).

The first round of selections will take place by August 2007. At that time, a State/UT may select all of its allocation of project ITIs. However, larger States (that is, one with more than 10 allocated project ITIs) must present their selections in two groups; the first to be financed around August 2007, the second to be financed around August 2008. The

first group may cover no more than two thirds of its notional allocation. The procedure for phasing the allocation of funds to the larger States is given in section (d) below.

## **(ii) Institutional Development Plans (IDPs)**

All ITIs that meet the eligibility criteria set out in the MoU are required to submit Institutional Development Plans. These are developed by the respective IMCs through consultation with stakeholders, including local business interests (such as business chambers), faculty members, students and the community. Each IDP defines the long-term goals of the institution, the issues and challenges facing the institution and the strategies for dealing with them. Each IDP sets targets for institutional improvement, defines performance indicators, and details the financial requirement to meet the needs.

The following elements should be included in an IDP:

- **Institutional information:**
  - name and address of institution;
  - name and contact details of Principal;
  - composition of IMC and name and affiliation of the Chairperson;
  - trades taught and student strength in each trade;
  - total student population and number of SC/ST and female students; and
  - average recurrent cost per student per year.
- **Support of Local Industry:** A letter from the IMC chairperson indicating managerial, technical and resources support to the applicant institution from local industry should be attached to ensure industry support during and after project closure.
- **Long-term goal** of the institution (what the institution plans to become in 5-10 years). This may be stated in one or two sentences. Institutions should provide details of any constraints/shortcomings they face in respect of:
  - institutional management;
  - teaching/ training staff and technical staff;
  - teaching/learning resources;
  - training facilities;
  - improving the participation of women and disadvantaged groups;
  - adverse environmental issues: and
  - linkage with the labour market (with particular reference to the institution's capacity to have a functioning Training, Career and Placement Officer – TCPO).

Institutions should provide details of the actions that would be undertaken to overcome the constraints/shortcomings. These actions should include details of how the institution would intend to increase the participation of women and disadvantaged groups in their training programs.

- **Short - to medium-term goals** that would be achieved by the ITI participating in the project. The key activities for achieving each objective should be listed, and the corresponding time-based action plans given.
- **Resource Requirement:** The proposal should set out, in a phased-manner, the physical, human and financial resources needed to achieve the project goals and that are being sought through the project.

- Targets to be achieved by project-end for the agreed key indicators should be stated in numbers. Institutions need to state briefly the methodology to be used for collecting data for assessing achievement of targets. The key indicators are given in Component 3.1 *Monitoring and Evaluation*.
- Sustainability Plan: The proposal should specify how the gains made under the project would be sustained in terms of continued industry support (continued involvement, physical, financial and other support), and adequate fund flow through various means including funding from the sponsoring government / Society to sustain and to enhance the good practices started under the project.

*A pro-forma IDP is at Annex 1.*

### **(iii) Selection of IDPs**

IDPs are assessed by respective State Steering Committees, which consider them against the following guidelines:

- Does an applicant institution have a functioning IMC for the entire institution? If not, consideration of the application must be deferred and the application referred back to the institution until the condition is met.
- How well does the IDP meet the needs of the local economy? Local industry should be taken to include all industrial sectors including primary industry, manufacturing and the services sector. An IDP may also consider the needs of local workers who migrate for work to other parts of the state, other parts of India or even overseas, especially (but not only) in localities where there is little local industry.
- Has the IDP committed the institution to having a functional TCPO? If not, consideration of the application must be deferred and the application referred back to the institution until the condition is met.
- What consideration has been given to gender, stakeholder participation, and social equity issues? Although there are no set targets for assessing IDPs in this respect, IMCs are expected to have thought deliberately and positively about the issues.
- Does the institution face adverse environmental issues that must be addressed for upgrading can take place?
- What finances are required by the institution; are they affordable and realistic? Although there are limits on the funds that can be recommended for any single institution (see Subsection (c), *Eligible Expenditure*) it is a matter for the SSC to decide how funds are allocated among institutions. It is open, of course, to State/UTs to provide extra finance from their own budgets (that is, over and above the 25% of project costs that each participating State/UT must contribute.)
- Does an IDP propose to leverage private sector financing to complement public support? IDPs can include proposals for more innovative private-public partnerships. This could include proposals to provide services on a fee for service basis to local industry, proposals to use equipment and materials in employers' premises or supplied by employers, proposals to provide employer-based training (such as work experience), and so on.

When reviewing IDPs an SSC takes into account the overall needs of the State/UT. If, for example, a number of IDPs present similar plans (such as all focusing on one industry sector or trade sector) the SSC can choose to recommend only a small number of these and require other plans that cover the wider and longer term needs of the State/UT.

SSCs rank IDPs and recommend the ones that are to be financed and the level of funds to be provided. An SSC may recommend only a portion of a particular IDP.

An SSC may not substitute its own proposals. If it has suggestions to make about any IDP these are referred back to the IMC for further consideration.

SSC recommendations are forwarded to the NSC for endorsement. The role of the NSC is one of quality assurance. It ensures the guidelines have been followed and that the overall approach of each SSC is consistent with project objectives and that funds being sought by an SSC are affordable and realistic.

The NSC considers all recommendations from State/UTs. It cannot make or substitute its own recommendations. If it accepts the recommendations it endorses them and sends them to the NPIU to initiate implementation.

The selected IDPs are posted on the Project Website to ensure transparency. SSCs provide comments to unsuccessful ITIs on how to improve their IDPs for future competition.

### (c) Eligible Expenditure

There are no fixed allocations for ITIs. Allocations are based on the requests submitted in IDPs and approved by SSCs. However, there are limits on the total allocations that can be made in respect of individual IDPs. They are:

- The average allocation would normally be Rs 3 crore per CoE. Funds earmarked for civil works and for equipment/furniture would be Rs 1 crore and 1.4 crore respectively for establishment of CoE and upgradation of trades. However, the maximum funds normally provided to an ITI establishing a CoE is Rs 3.5 crore (about \$777,000) made up of two elements:
  - Rs 2 crore (about \$444,000) for establishing the CoE, and
  - Rs 1.5 crore (about \$333,000) for upgrading trades;
- The average allocation would normally be Rs 2 crore per ITI. Funds earmarked for civil works and equipment/furniture would be Rs 0.6 crore and 1 crore respectively for upgradation of ITIs. However, the maximum funds normally provided for an Upgraded ITI is Rs 2 crore (about \$444,000)

Each selected ITI has a specific allocation of funds to meet its plans, as approved by the SSC. The allocation is made in tranches during the year.

The items that may be included in any allocation are shown below.

### **(i) Civil works**

There is a limit on the total funds that can be spent on civil works under the project. These are described in the Procurement Manual but, in effect, the total level of ***all*** civil works under the project cannot exceed 25% of the ***total*** project cost (including both GOI and State/UT contributions).

Civil works under this subcomponent is primarily intended for renovating existing workshops, laboratories and classrooms for the trade sectors that are covered by a CoE or trades being covered by an Upgraded ITI. These civil works must be in accordance with NCVT norms and the completed work is audited to ensure compliance.

Consideration may be given to wider-ranging civil works (say for amenities areas or general facilities covering utilities such as power supply areas) where it is clear that the works will significantly improve the prospects of an ITI meeting its project goals; however, these civil works should not have priority over the need to renovate existing workshops, laboratories and classrooms.

The project will *not* finance *new* guesthouses for providing accommodation to industry experts or guest lecturers. However, the State/UT may provide funds for this if they require. The project may provide funds to cover the cost of accommodation for industry experts or guest lecturers.

### **(ii) Equipment, materials and furniture - workshops and classrooms**

For CoEs this item covers the equipment, materials and furniture required to operate the modernized workshops, laboratories and classrooms for the multi-skilling trade sectors involved, as well as the workshops, laboratories and classrooms required for CoE-related trades.

For Upgraded ITIs, the item covers the equipment, materials and furniture required to upgrade the trades that are in demand in the locality of the ITI (a maximum of 6 trades).

‘Materials’ is taken to include raw materials, learning resources and the media required to distribute those resources.

### **(iii) Salaries and Honoraria**

The project will finance the salaries or honoraria of the following types of staff:

- Permanent staff recruited into positions *formally* established once an ITI has been selected to participate in the project.
- Contract faculty engaged to enable an approved ITI to meet its plans;
- Visiting experts or instructors engaged for short periods to provide specialized instruction so as to enable an approved ITI to meet its plans.
- Honoraria paid to an officer designated to be an ITI’s TCPO (this is expected to be either a Vice Principal or a Group Instructor).

#### **(iv) Office equipment, materials and furniture**

This item includes the cost of computer equipment (hardware and software) and ancillary equipment, materials and furniture, such as printers, consumables, and ergonomic desks and chairs. This equipment is used to run the project MIS and access the Project Website. Advice should be sought from the NPIU as to the suitability of various items before procuring such equipment. It should be noted that two computers, with appropriate software installed, will be supplied from a central fund to ensure that *all* ITIs, not just Project ITIs, can be part of the MIS network.

#### **(v) Travel**

This item covers the cost of travel to any national or State/UT level workshops; travel associated with inspecting ITIs participating in the project, particularly for monitoring the project. The cost of travel for staff in the SPIUs is covered under Component 3.1.

The project will cover the travel costs of guest faculty, including the cost of accommodating them in rented premises. It will also cover the cost of hiring vehicles for visits of trainees to industry premises.

#### **(vi) Staff Training**

The cost of training staff is split between this Subcomponent and Subcomponent 1.2.

This Subcomponent covers the cost of non-instructor training and a limited part only of instructor training. Each Project ITI has a specific budget provided through its approved IDP. The budget covers the cost of management training for senior ITI staff, the training of general staff (for example, those concerned with maintaining accounts and other records), and any training that specifically arises out of the operations of the project itself. The costs include any travel involved (including the cost of accommodation and per diems) and any charges levied by third part trainers.

An IDP budget also covers the cost of instructor training provided by third parties contracted by the ITI itself; this includes equipment manufacturers and suppliers, public training institutions outside MoLE (for example, technical colleges) or guest trainers.

The cost of *all* other instructor training, the considerable majority, is provided centrally and is included under Subcomponent 1.2 (*Strengthening the Capacity for Instructor Training*). It includes:

- Entry level for new instructors
- Development courses for CoE instructors; and
- Refresher courses for experienced instructors teaching basic trades.

The training may be provided through the existing central Instructor Training Network or through new facilities termed Instructor Training Wings (see Subcomponent 1.2).



(d) Phased Allocation of Funds to Larger States

Failure, especially by larger States, to implement Subcomponent 1.1 in a timely manner could lead to under-spending and significant negative repercussions for the project. Corrective action cannot be left until too late into the project lifespan. The procedures described below are designed to allow corrections to be made to State/UT allocations during the first three years of the project and to allow for a major re-allocation after the project's mid-term review.

The procedures are as follows:

- (i) Year 1: Each State/UT will receive a notional allocation of funds for Component 1.1, based on the funds required to meet approved IDPs. However, larger States (States with at least 10 participating ITIs) will receive an initial transfer of funds to meet the needs of no more two thirds the approved IDPs, namely for those that are to be initiated by August 2007. Further funds may be transferred during the year based as earlier transfers are expended, provided evidence of this is shown through relevant Expenditure Statements.
- (ii) Year 2: Each State/UT will receive a further notional allocation based on the funds required to meet additional IDPs to be initiated by August 2008. Funds will be transferred during the year based on the needs of the State as earlier funds are expended, provided evidence of this is shown through the relevant Expenditure Statements and UCs.
- (iii) Year 3: It is expected that all notional allocations will have been made in Years 1 and 2. As Year 3 progresses State/UTs may continue to apply for additional funds from their notional allocation as funds previously transferred are spent, provided evidence of this is shown through the relevant Expenditure Statements & UCs.
- (iv) Year 4: The funds remaining for the final two years *may be* re-allocated among the State/UTs in light of their experiences over the first three years. Some State/UTs could have their notional allocations reduced if it is clear that they will not be able to expend those allocations before the end of the project. These funds may be re-allocated to State/UTs that are interested in receiving funds to meet the needs of additional ITIs they would wish to include in the project. The re-allocation is done in consultation with World Bank and is sent to World Bank for a "no objection".

(e) Memorandum of Understanding between Central and State/UT Governments

THIS MEMORANDUM OF UNDERSTANDING is made on this \_\_\_\_\_ day of \_\_\_\_\_, 2007 between \_\_\_\_\_, the President of India acting through Shri \_\_\_\_\_, Director General of Employment and Training/Joint Secretary, Ministry of Labour and Employment, Government of India (hereinafter called 'THE FIRST PARTY') and the Governor/ Administrator of the State/UT of \_\_\_\_\_ through Shri \_\_\_\_\_, Secretary \_\_\_\_\_ (hereinafter called 'THE SECOND PARTY')

- WHEREAS it has been the concern of 'THE FIRST PARTY' that skills imparted by the INDUSTRIAL TRAINING INSTITUTES (hereinafter called 'THE ITIs') must keep pace with the technological demands of the industry and expanding universe of knowledge to produce world class workforce;
- AND WHEREAS in pursuance of this objective, it is proposed to upgrade selected ITIs under a Centrally Sponsored project, entitled Vocational Training Improvement Project with financial assistance from the International Development Association (hereinafter called 'THE IDA') within the World Bank, (hereinafter called 'THE Project') by:
  - introducing new multi-skilling modular courses, improving physical infrastructure facilities, adopting new training technology with close involvement of industry and other stakeholders; and,
  - empowering ITIs by providing adequate managerial, administrative and financial autonomy, building up partnership with the nearby industries and setting up of Institute Management Committees (hereinafter called 'THE IMCs').
- AND WHEREAS the operating conditions for the Project are contained in the document entitled the Project Implementation Plan (hereinafter called 'THE PIP'),

THE PARTIES AGREE AS FOLLOWS:

**Section A**

As conditions for participation in 'THE PROJECT', THE SECOND PARTY' agrees to:

- Maintain active and effective industry participation in the State Council of Vocational Training (SCVT).
- Establish a State Steering Committee (hereinafter called 'THE SSC'). 'THE SSC' will have:
  - The Secretary, Department of Labour/ Technical Education/ Secretary (as applicable) as the Chairperson,
  - Financial Advisor/ Financial Controller of the concerned Department,
  - Chief Engineer of the State PWD or his nominee not below the rank of a Superintending Engineer,
  - Three industry members nominated by major industry associations,
  - Three members having knowledge and interest in vocational training nominated by the State/UT Government. The nominees should be regarded as persons with particular expertise and interest in vocational training, and

- The State Project Director shall be the ex-officio member, and shall act as Secretary of 'THE SSC.
- Establish a State Project Implementation Unit (hereinafter called 'THE SPIU'), with adequate powers to discharge its functions without seeking frequent approvals from State/UT authorities.
- Delegate to 'THE IMCs' through an MoU adequate powers to perform the following functions:
  - Help forecast emerging skills requirements and accordingly take the following actions:
    - Suggest modifications in respect of various courses
    - Add new trades/units with the concurrence of relevant State/UT and national authorities and/or abolish trades that are redundant or irrelevant to the locality;
  - start short-term training programs;
  - review training needs and approve training of instructors, and of administrative/office staff;
  - facilitate placement of graduates;
  - endorse expenditure as proposed by ITI Principals;
  - generate, retain and utilize all the revenue; and
  - appoint contract faculty.
- Delegate to all Principals of ITIs the necessary financial and administrative powers to undertake, on behalf of the IMC, the procurement, refurbishment and maintenance activities that are required for speedy project implementation. Once the Annual Plan and Budget is approved the Principal need not seek approval for individual purchases that are in line with the following delegations:
  - The Principal will have the power to make small purchases up to \$500 (INR 25,000) without seeking prior approval of the ITI's purchase committee.
  - The Principal will have the power to award contracts to the value of \$20,000 (INR 9 lakhs) per contract on the recommendation of the ITI's purchase committee.
- Implement the recommendations of the Equity Assurance Plan as set out in the PIP.
- Implement the recommendations of the work of the Environment Management Framework as set out in the PIP.

## **Section B**

The SECOND PARTY agrees to recommend proposals from 'THE ITIs' meeting the following conditions:

- 'THE ITI' has an 'IMC' for the entire ITI. The IMC will comprise up to 11 members as given below. 'The IMCs' may associate additional members (for example, officers from leading bank, area employment officer, other industry member(s)) as per need:
  - Not more than five members will be nominated by 'THE SECOND PARTY';
  - Not more than five local employers nominated by Industry Associations such as CII/FICCI/ASSOCHAM/SCOPE or by local Industry Associations;

- The IMC will be chaired by one of the five employers. In case of ‘THE CoE’, ‘THE IMC’s Chairperson will preferably be from the related sector industry/industry association; and
- The Principal of the ITI will be an *ex-officio* member, acting as Secretary.
- There should be a regular full-time Principal and instructors in the trades being covered by the Project should be in position and should not move during the project life. If moving them becomes unavoidable (for example, for administrative reasons) they are to be replaced by trained instructors.
- Instructor vacancies should not be more than 10 percent.
- All additional positions required by the ITI in accordance with their respective ‘THE IDPs’ should be sanctioned. These posts are to be filled up as planned.
- ITIs wishing to establish Centres of Excellence across a trade sector should have a cluster of the relevant category of industry available in the surrounding area.
- ITIs wishing to upgrade their general infrastructure should have at least six trades whose curricula have been revised in the last five years, and that are in demand by industry (measured by the high employability of graduates in the previous two years), and are in demand by students (the average seat occupancy in the previous two years should have been at least 90% of capacity).
- It should have proper surroundings, sufficient space for landscaping, buildings with adequate space for additions / alterations and other infrastructural facilities.
- It should be well connected by road / railway.
- Only one sector per ITI is to be selected for a CoE.

As required under ‘THE Project’, ‘THE IMCs’ will prepare proposals for activities that can be financed under the Project before forwarding them for consideration for funding to ‘THE SSC’.

### **Section C**

‘THE FIRST PARTY’ and ‘THE SECOND PARTY’ will jointly share expenditure as approved by the NSC for ‘THE Project’ ITIs and SPIU in the State/UT in the ratio of 75:25. The conditions for the flow of funds within the Project are detailed in section ... of the Finance Manual.

‘THE SECOND PARTY’ will make adequate provision in their Budget and will certify that this has been done when making a request for release of each installment of central share.

‘THE FIRST PARTY’ and ‘THE SECOND PARTY’ agree to accept the following Key Performance Indicators (KPIs) of the efficiency and the effectiveness of the developments undertaken in ITIs participating in the Project as indicated in section ... of ‘THE PIP’. These are:

- The completion rate for trainees (the proportion of trainees who complete their training – not necessarily successfully).
- The proportion of graduates who, within 12 months of completing their training, have found employment.
- The earnings of employed graduates.

#### **Section D**

The ‘SECOND PARTY’ agrees to send instructors of ITIs from its State for training and refresher training as per the NCVT/DGE&T guidelines.

#### **Section E**

‘THE FIRST PARTY’ will provide all necessary support to ‘THE SECOND PARTY’, in particular by establishing a National Project Implementation Unit (hereinafter called ‘THE NPIU’). The functions of ‘THE NPIU’ are indicated in section ... of ‘THE PIP’.

‘THE SECOND PARTY’ will be mainly responsible for implementing and monitoring the Project in the State/UT of \_\_\_\_\_, with the assistance of ‘THE SPIU’. The functions of ‘THE SPIU’ are indicated in section ... of ‘THE PIP’.

#### **Section F**

In order to ensure sustainability of the scheme after Project completion ‘THE SECOND PARTY’ shall:

- ensure the availability of sufficient funds for consumables and if necessary, enhance the tuition fees to generate additional revenue for this purpose,
- allow industry to sponsor candidates for training in these centers on payment basis to generate higher revenue for the ITI; and,
- ensure that the proportion of expenditure on salary is limited to 80% of the total recurring expenditure.

#### **Section G**

The detailed schedule of implementation of the Project is set out in ‘THE PIP’. The main points of the schedule are:

- The Project will become effective in 2007, as soon as practicable after the Government of India and the ‘IDA’ have signed a Development Credit Agreement,
- The Project is expected to proceed at uniform rate over five years commencing in August 2006, with developments in the first year to be financed retroactively from IDA funds. The project is expected to be completed in 2012.

## **Section H**

If, as a result of slow implementation by the 'SECOND PARTY', the 'FIRST PARTY' incurs commitment charges in respect of the Development Agreement, the 'FIRST PARTY' shall seek compensation from the 'SECOND PARTY' for these charges.

## **Section I**

By this Memorandum of Understanding both parties affirm their commitment to carry out the activities and achieve the objectives mutually agreed upon.

Any dispute between the parties shall always be resolved by mutual consultation without any resort to arbitration or other form of legal remedy including resort to court of law.

This Memorandum of Understanding will continue to be effective up to 2015.

Adherence to the implementation of the MoU will be monitored on a six monthly basis.

Signed at New Delhi on ..... this day of .....2007.

**For and on behalf of**  
The Governor / Administrator  
**State/UT Government of**

**For and on behalf of**  
The President of India

(.....)  
**Secretary**  
**State/UT Government of**

(.....)  
**Director General/ Joint Secretary**  
**DGE&T,**  
**Ministry of Labour & Employment,**  
**Government of India**

### ***Subcomponent 1.2: Strengthening Instructor Training***

This subcomponent is concerned with (a) strengthening and increasing the capacity of the Instructor Training Network and (b) introducing a management structure into the Instructor Training Network.

#### ***(a) Strengthening the Instructor Training Network***

Numerous facilities are already involved in training instructors. Together, these make up what can be termed the Instructor Training Network. The Apex Hi-tech Institute, AHI, is the nodal institute for the Instructor Training Network.

The Network provides three types of course: (i) entry level training for instructors, (ii) development courses for CoE instructors, and (iii) refresher courses for experienced instructors teaching basic trades.

##### **(i) Entry Level Training for Instructors**

Upgrading the existing infrastructure in central institutes

The central institutes i.e. five Advanced Training Institutes (ATIs) at Ludhiana, Kanpur, Howrah, Mumbai and Hyderabad and Central Training Institute for Instructors (CTI) at Chennai impart training under Craft Instructor Training (CTI) program for the instructors from ITIs and from training centres established by industries under the Apprentices Act. These institutes provide training for instructors in only 24 trades (although this represents over 80% of the training workload in ITIs) and provides slightly fewer than 1,100 places a year. The Craft Instructor Training Program provides modular training with flexible multi-entry and multi-exit points. The Instructor Training Program and the testing and certification of instructors are accredited by NCVT. Courses are 1 year long and comprise three modules with batch sizes of 16 trainee instructors. The National Vocational Training Institute for Women (NVTI) Noida also imparts training to instructors which comprises of two modules – Advanced course and a module on Principles of Teaching (POT).

The one year long CTI program is more relevant for entry level new or inexperienced instructors – those with less than 5 years experience in ITIs. There are an estimated 15,000 instructors in this category (some 50% of the total number of instructors), providing training in just over 100 trades.

The 7 facilities at 5 ATIs, CTI and NVTI Noida are being upgraded which takes the form of civil works, new equipment, staffing costs, office equipment, travel and staff training. The parameters for this are as follows:

- Civil works: Any refurbishment that is essential to enable the facilities to deliver the required courses.
- Equipment and materials: Any equipment that is essential to enable the facilities to deliver the required courses.

- Staffing costs: Existing provisions apply; nothing additional is required through project financing.
- Office equipment: Any office equipment that is essential to managing the training.
- Travel: Nothing additional is required through project financing as the existing provisions in the current Network will continue. Under these provisions the Network covers the cost of training while the instructors are in the course but travel and accommodation expenses are met by the sponsoring ITI.
- Staff Training: Any staff training that is essential to enable the facilities to deliver the required courses.

The total expenditure to upgrade the current Instructor Training Network will be limited to Rs 1.8 crore per institute<sup>2</sup>.

#### *Setting up 10 Instructor Training Wings (ITWs)*

The capacity of Network to provide entry level training is being doubled by the introduction of 10 new Instructor Training Wings (ITW), one in each of 10 states. By the academic year 2009-10 the capacity of the Network to run the basic one year Instructor Training Programs will go from its present 1,100 to 2,000.

Each ITW operates within an ITI (after creating the necessary facilities) that has been covered through subcomponent 1.1. The ITW makes maximum use of the ITI's facilities, utilizing them during daily periods when they are unused.

Upgrading takes the form of civil works, new equipment, staffing costs, office equipment, travel and staff training. The parameters for this are as follows:

- Civil works: Classrooms/laboratories/workshops/hostels only.
- Equipment and materials: All necessary equipment, including teaching aids and materials.
- Staffing costs: Salaries or honoraria of the following types of staff:
  - Permanent staff recruited into positions in ITWs, which are *formally* established once an ITW has been selected to participate in the project. This includes the salary of *new* positions of Vice Principal that have been created;
  - Contract faculty engaged to enable an approved ITW or an existing instructor training facility to meet its plans;
  - Visiting experts or instructors engaged for short periods to provide specialized instruction so as to enable approved proposals to meet their plans.
- Office equipment:
  - Any office equipment that is essential to managing the training.
- Travel:

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<sup>2</sup> It should be noted that there are limits on the total level of funds that can be spent on civil works under the project. These are described in the Procurement Manual but, in effect, the total level of civil works under the project cannot exceed 25% of the total project budget (including both GOI and State/UT contributions).



- Under these provisions the Network covers the cost of training while the instructors are in the course but travel and accommodation expenses are met by the sponsoring ITI.
- Staff Training:
  - As a minimum, instructors in ITWs should be diploma holders. Each ITW has a specific budget to be used to fund the training of its instructors. The budget should cover the cost of any travel involved (including the cost of accommodation and per diems) and the cost of any charges levied by the trainers. Because ITW instructors need special skills the project will cover any costs involved in training them in DGE&T field institutes or through other training providers.

The total expenditure to establish an ITW<sup>3</sup> will be limited to Rs 2 crore.

The selection of states to host an ITW has been made so as to optimise the proximity of ITI instructors to a facility that offers training in relevant trades. States with a seating capacity of more than 5,000 trainees are eligible to apply for setting up an ITW. There are 19 States in this category.

The following procedures may be adopted by the State for selecting an ITI and the 6 trades to be covered by an ITW:

- Current instructor training facilities should be mapped against trade specialisation;
- The distribution of new or inexperienced instructors should be mapped against location and trade specialization;
- The mappings should be compared primarily to identify locations that would ensure the best possible distribution of trades across the country.

AHI will assist the NSC to select the 10 States to set up an ITW.

ITWs may be used to train the instructors from other State/UTs. The host State may charge a training/hostel fee (as prescribed by NCVT) for this service. Instructors from within the State do not pay such a fee. ITWs may, for a fee, also be used to train instructors from Industrial Training Centres (private providers accredited by NCVT).

Each selected state should prepare a proposal for establishing an ITW for the consideration of the NSC. The following elements should be included in a Proposal for an ITW:

- Institutional information:
  - name and address of institution;
  - name and contact details of Principal;
  - trades taught and equipment available for training.
- Trade sectors to be covered
- Training capacity
  - the time and periods the institution would be made available;

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<sup>3</sup> It should be noted that there are limits on the total level of funds that can be spent on civil works under the project. These are described in the Procurement Manual but, in effect, the total level of civil works under the project cannot exceed 25% of the total project budget (including both GOI and State/UT contributions).

- the institution's instructors that would make themselves available;
- the availability of other instructors – for example, from other educational institutions, business enterprises and equipment suppliers and manufacturers;
- the proposal should indicate the capabilities of instructors, their willingness to be involved, any time constraints (time of day, time of week or time of year);
- any additional resources – particularly equipment and materials – sought by the institution;
- the availability of accommodation for trainers and trainees;
- the willingness of local industries to make themselves available for on-the-job training of instructors.
- Resources required
  - The proposal should set out, in a phased-manner, the physical, human and financial resources needed to establish the ITW;
- Any proposed fee structure
  - The proposal should indicate the extent to which the institution would seek to recover recurrent costs by charging trainees a fee. This should include any fees for accommodation. It should also cover the fees to be charged to trainees from within the State and fees to be charged to trainees from other State/UTs;
- Sustainability of the Proposal: The State/UT should set out the issues that need to be addressed for the ITW to be sustainable. This should include explaining what its own role would be in this respect.

The selected proposals will be posted on the Project Website.

*In addition*, AHI, as the nodal institute, is arranging for the Instructor Training Programs to be reviewed, in order to making them responsive to the needs of training instructors. The review will assess the possibility of making the training more efficient, particularly by reducing the duration of training, without compromising quality, in order to increase the number of instructors who can be trained in any one year.

#### **(ii) Training for CoE Instructors**

The CoE instructor training programs, which last 2.5 months, and certification of instructors participating in the programs are issued by the facility providing the training. The facilities are AHI and the following 10 Central Training Institutes:

- Andhra Pradesh (ATI, Hyderabad)
- Andhra Pradesh (ATI-EPI, Hyderabad)
- Karnataka (FTI, Bangalore)
- Maharashtra (ATI, Mumbai)
- Punjab (ATI, Ludhiana)
- Tamil Nadu (ATI, Chennai)
- Uttaranchal (ATI-EPI, Dehradun)
- Uttar Pradesh (NVTI, Noida)
- Uttar Pradesh (ATI, Kanpur)
- West Bengal (ATI, Kolkata)

AHI will identify trade sectors for ATIs, depending on the catchment area industry and sector for the training of trainers. In addition, in order to participate effectively in instructor training and in order to take a lead role in managing the Instructor Training Network, AHI is also being upgraded on the same basis as the rest of the Network (see (i) above).

The standards and curricula are being developed by AHI for maintaining uniformity throughout the country. In other emerging skills, where such facilities are not available in DGE&T institutes, AHI will identify suitable external institutes and networks with them for training the instructors.

### **(iii) Refresher Training for Instructors with at Least 5 years Experience**

CoE facilities in the ITIs may be used for other purposes (see Subcomponent 1.1, section (a) (ii)). This includes providing refresher training for experienced instructors (those with at least 5 years experience). Courses of up to 4 weeks duration have been introduced. The facilities, used to the maximum, can accommodate 50 instructors in 5 batches in 2 shifts each during the year; 10,000 instructors a year could receive training in some 20 CoEs. A certificate of completion of the course is awarded by the State Directorate.

The refresher courses use the equipment housed in CoEs and rely on existing CoE instructors. Therefore no civil works or equipment purchases are needed to implement these courses. However, the project finances any additional costs arising from the need to use the CoEs for the full year. This includes the cost of utilities and materials. The project also covers the cost of additional guest lecturers and experts.

In spare capacity, the infrastructure created in the central institutes for CoE Instructors may also be utilized for organizing refresher training courses for ITI instructors.

### **(b) Managing the Instructor Training Network**

The Instructor Training Network is managed through the Apex Hi-tech Institute.

AHI performs the following functions:

- Developing and maintaining a database of instructors, which includes details of the work experience and training history of individual instructor;
- Undertaking training need analyses so as to identify the training needs of ITIs generally and in clusters (for example, geographic clusters or industry clusters);
- Developing the curricula for refresher courses;
- Organizing training for instructors in the Instructor Training Network or in outside networks; and
- Maintaining an inspection function for ensuring that norms and standards for instructor training are followed.

***AHI will be financed to perform these functions.*** AHI will prepare detailed plans for endorsement by the NSC.

Although the training of instructors is organised by AHI, the selection of individual instructors to attend training will be arranged by SPIUs. SPIUs administer funds available under this Subcomponent to cover the cost of training: the cost of travel, accommodation and TA/DA. The budget for this covers training for all ITI staff, not only those in Project ITIs.

### ***Subcomponent 1.3: Incentive Fund***

#### ***(a) The Objective of the Fund***

The Incentive Fund provides additional finance for vocational training in the form of grants to those State/UTs that have performed best in the project. No more than 20 grants are to be awarded over the life of the project, with a maximum award of \$2 million. State/UTs are required to contribute 25% of the cost of their proposal.

The best performing State/UTs are invited by the NSC to submit proposals for consideration by the NSC. Invitations will be sent to the relevant State/UTs on two occasions; (a) in Year 3 when half of the number of grants will awarded, based on assessing the performance of State/UTs in Years 1 and 2 of the project, and (b) in Year 4 when the remaining grants will awarded, based on performance over the three previous years. A State/UT may be invited to apply for an allocation on either or both occasions.

Applications in response to invitations from the NSC can be made only by the State/UT Agencies that are responsible for the project. Applications should specify the finance required and its intended use. To be considered for funding an application must further the objectives of this project within the State/UT.

Specifically, proposals should seek to extend the benefits of the project to all State ITIs. This could include, for example:

- Upgrading them (either through CoEs or as Upgraded ITIs),
- Extending to them the benefits of curriculum development, such as providing tools and equipment as per revised curricula and minor repair in workshop/classroom, etc.
- Providing advanced training for instructors in specialised institutions,
- Translation (by the State/UT) of NIMI IMPs into regional languages.

The NSC will not issue invitations to any State/UT, irrespective of its performance, which, in the view of the NSC, has not reasonably sought to maintain the previous level of budget allocations to vocational training.

The NSC will justify its decisions and post its minutes on the Project Website to ensure transparency. The chosen proposals are posted on the Project Website.

***Incentive Award can only be spent using the procedures detailed in the Procurement Manual and in the Finance Manual.***

(b) Comparing the Performance of States

Ultimately, the performance of individual ITIs is judged by comparing their performance in achieving satisfactory outcomes – primarily by comparing the impact the project has had on the employability of students (see Component 3.2 *Monitoring and Evaluation*). For the purpose of making awards from the Incentive Fund, however, something more timely and more easily measurable is required.

Five indicators, obtained from the MIS are used (see Subcomponent 3.2, *Monitoring Project Outputs*):

- The proportion of a State/UT's allocation that has been utilised;
- The proportion of relevant vacancies that are filled in participating ITIs;
- The proportion of commencing CTS trainees that obtain NCVT certification after completing their training;
- The proportion of graduates that are introduced to employers through the TCPO;
- The proportion of instructors who receive training
  - Entry level training;
  - CoE instructor training;
  - Refresher training.

In addition, the performance of each State in implementing the Environmental Management Framework will be taken into account.

Preference is given to State/UTs that have signed Memoranda of Understanding with industry counterparts.

## **Component 2: Promoting Systemic Reform and Innovation**

A number of reforms and innovations are needed if the vocational training system is to be improved and if the developments under Component 1 are to be sustained.

### ***Subcomponent 2.1: Promoting Reforms***

The subcomponent is implemented by the MoLE, in collaboration with State/UTs, industry associations and other stakeholders. Its purpose is to develop national policies for vocational training. Because policies may strike new ground or be contentious for some groups, proposals for policy development should incorporate consultation with stakeholders. Some prospective policies may touch on uncertain issues and give rise to debate about possible outcomes. Policy development activities are envisioned as ongoing exercises and will require expertise of various natures.

Two types of activity are being undertaken: (a) a series of studies designed to develop detailed proposals for reform and (b) a series of fellowships and study tours to enhance the capacity of the MoLE to implement reforms.

#### ***(a) Policy Development Studies***

Each activity under this subcomponent involves engaging domestic consultants to undertake policy research. In each case, international consultants are also engaged, for short periods only, to act as ‘peer reviewers’ for the domestic consultants.

In administrative terms the consultants are managed by the NPIU. The NPIU signs contracts, as approved by the NSC (see Volume Three, *Procurement Manual*). In professional terms, the consultants work to DGE&T.

Four studies have been identified:

- Developing a National Vocational Qualification Framework (NVQF), and
- Developing a policy framework for private providers of training (to be undertaken once the study into a NVQF is complete),
- Developing replicable models for involving ITIs in training for the informal sector,
- Assessing the feasibility of establishing a Training Fund in India.

Draft Terms of Reference for the four studies are on the following pages. These TORs will be finalized prior to contracts being signed for the studies to commence.

The project includes the capacity, within the project budget, to fund other policy studies as proposed by the MoLE and approved by the NSC.

### **(i) National Vocational Qualification Framework (NVQF)**

The purpose of any national qualification framework is to provide uniform procedures for assessing the competencies of trainees, determining the pre-requisites for entry into training courses, and for assessing and certifying skills.

This activity will determine the feasibility for an NVQF in India by:

- Assessing frameworks used elsewhere.
  - A consultancy will obtain details of frameworks in a sample of countries within the OECD (such as UK, Australia and South Korea) and countries outside the OECD (such as Singapore, Malaysia and South Africa);
  - The assessment will cover details of the actual framework in each country, an analysis, as far as practicable, of the apparent value or otherwise of the framework, and an analysis of the practical difficulties that were encountered in developing it;
  - The consultancy will obtain information and assessments previously prepared by international agencies (World Bank, ILO, OECD and UN agencies such as UNEVOC).
- Assessing the practicality and the value of introducing an NVQF in India. This will take into account:
  - The level of diversity in the country, especially the diversity among State/UTs;
  - The potential of an NVQF to benchmark Indian qualifications against international standards;
  - The interest and potential interest among employers.
- Determining the institutional requirements of an NVQF. This will take account of:
  - The diversity of interests among the State/UTs;
  - The potential issues that could arise with existing institutions and across ministries at national and state levels.
- Determining a feasible approach to developing an NVQF. This will include:
  - The priorities for development: the levels of qualifications that should be included in the early stages; and the occupational and skill groups that could be involved;
  - The institutional framework that should be adopted.

Tentatively, there will be two consultancies. The indicative durations of the consultancies will be:

- Local consultant for twelve months – with a completion period of eighteen months – to undertake the major work and be responsible for producing the final report.
- An international consultant for three to four months – to act as peer reviewer.



## **(ii) Developing a Framework for Private Providers**

ITIs cover only a fraction of the training needs of the country. In addition, there are some 3,400 private institutions registered as Industry Training Centres (ITCs). The number of non-registered providers is not known but evidence suggests it is not large and certainly not as large as could be expected for a country as populous as India.

It would be desirable to introduce standard procedures for registering private organization that seek to provide courses that meet the standards set by an NVQF.

This activity assists the development of the policy framework in the following way:

- Assessing how the registration of private training providers is conducted elsewhere
  - A consultancy will obtain details of specific systems being used elsewhere;
  - The consultancy will include details of the systems and an analysis, as far as practicable, of their coverage, and an analysis of the practical difficulties that are encountered in maintaining the systems.
- Reviewing current regulations for registering private providers so as to:
  - Define the requirements for registration;
  - Expand the scope of registration to include a wider range of organisations such as employers associations and individual enterprises;
  - Determine the requirements for private providers to maintain registration;
  - Determine methods for assessing and certifying the skills of private trainees. Determining the feasibility of instituting a system for periodic inspection of all institutions for renewal/*withdrawal* of registration.
- Assessing the practicality and value of national system in India as against a system of State registration. This will include:
  - Assessing whether there should be a national umbrella system for registration; and
  - The scope for cross-State recognition of registration particularly for private providers that operate in more than one State.

Tentatively, there will be two consultancies. The indicative durations of the consultancies will be:

- Local consultant for twelve months – with a completion period of eighteen months – to undertake the major work and be responsible for producing the final report.
- An international consultant for three to four months – to act as peer reviewer.

### **(iii) Developing Replicable Models for Training for the Informal Sector**

ITIs already, directly or indirectly, train for the informal sector. Many ITI graduates, for example, have little choice but to enter the informal sector. Spurred by the GOI's objective of training some 1 million informal sector workers each year, ITIs are now seeking ways to improve their training for the informal sector. MoLE has established the Modular Employable Skills program (MES) to meet this goal. MoLE is to act as financier, with MES being delivered through "Training Agents".

Each ITI is, potentially, one such Training Agent. ITIs have begun including MES in their training plans and may well include it in their IDPs. Whether this is feasible or desirable needs to be clarified. On the assumption that it does happen, the issue would then be to determine the best way this could fit into the GOI's broader goal of delivering vocational training that reaches international standards.

This activity will assist ITIs to development ways of dealing with the informal sector by:

- Assessing the role that public sector training providers in other countries play in providing training for the informal sector
  - A consultancy will obtain details of how this role is undertaken elsewhere;
  - The consultancy will cover details of the programs provided by national vocational training structures and an analysis, as far as practicable, of their apparent value, and an analysis of the practical difficulties that were encountered in developing the programs.
- Assessing the practicality and value of ITIs being involved in similar national programs in India. This will take into account:
  - The level of diversity in the country, especially the diversity among State/UTs and the diverse interest of stakeholders, including NGOs;
  - The interest and potential interest among employers.
- Preparing an inventory of informal sector training schemes already operating in India
- Providing for a conference in India to bring together domestic and international providers of training for the informal sector. The priority is to bring together actual practitioners.

Tentatively, there will be two consultancies. The indicative durations of the consultancies will be:

- Local consultant for twelve months – with a completion period of eighteen months – to undertake the major work and be responsible for producing the final report.
- An international consultant for six months – to develop a report on the role of public agencies in other countries; and to present the findings at the proposed conference on training for the informal sector.

#### **(iv) Feasibility of Establishing a Training Fund**

This will assess whether a training fund could be used to mobilize and allocate resources. It would explore the potential of bringing together resources from the government, industry and students, and examine whether the resources could be allocated to well-performing institutions (public or private) on the basis of performance criteria. The feasibility of using a fund to provide financial incentives (e.g. tax deductions, matching funds) to employers to encourage them to train their workers would be explored. The institutional framework for such a Fund would need to be investigated, for example, whether it would be operational at a State/UT level or on a national level.

This activity will assist the GOI to assess the feasibility of a Training Fund in India by:

- Assessing Training Funds in other countries
  - A consultancy will obtain details of how Training Funds operate elsewhere;
  - The consultancy will analyse, as far as practicable, the apparent value of Training Funds and assess the practical difficulties that were encountered in introducing them.
- Assessing the practicality and value of a Training Fund in India. This will take into account:
  - The level of diversity in the country, especially the diversity among State/UTs and the diverse interest of stakeholders, especially employers;
  - The interest and potential interest among employers;
  - The potential difficulty of managing a Fund in a country with such a large informal sector.
- Determining alternative models for funding vocational training.
- Developing specific proposals for two States, to be developed as pilot schemes.

Tentatively, there will be two consultancies. The indicative durations of the consultancies will be:

- Local consultant for twelve months – with a completion period of eighteen months – to undertake the major work and be responsible for producing the final report.
- An international consultant for three to four months – to act as peer reviewer.

### (b) Short-term Training and Study Tours

The subcomponent supports the short-term training of policy staff and study tours to develop the capacity of senior staff in four DGE&T, States, AHI, CSTARI and NIMI. Although the project includes notional allocations for each agency both short-term training and study tours are coordinated by the NPIU and approved by the NSC – the participation of state-level participants is approved by the relevant SSC. Proposals for international activities are sent to the World Bank for ‘no objection’.

*Short-term training* develops the capacity of each agency to meet its objectives. As examples:

- Training for CSTARI staff in curriculum development and to study best practices ;
- Training for AHI staff in the development of training standards and to study techniques for benchmarking; and
- Training for NIMI staff in best practices.

*Study tours* focus on meeting the project’s development objectives and are related as closely as possible to the policy studies covered by subcomponent 2.1. For example, study tours could be undertaken to review systems of vocational training in a number of other countries. The studies would investigate policies and best practices in vocational training and skills development such as:

- Private public partnerships;
- The financing of vocational training;
- Curriculum development procedures;
- The development of growth areas such as information technology;
- The role of the public training system in dealing with short-term training, especially for the informal sector.

Proposals for study tours are developed by DGE&T and include a member of the NPIU or a member of an SPIU who documents the findings of the study tour and disseminates the findings through the Project Website. Industry participants are invited to join the study tours although their participation will be financed by industry rather than the project.

### ***Subcomponent 2.2: An Innovations Fund***

Funds from this subcomponent are used to carry out pilot activities on innovations that could significantly improve the quality of the training provided by ITIs. Funds may, for example, be used to finance initiatives arising from studies into policy reforms (Subcomponent 2.1) and initiatives arising from State/UTs, ITIs or from Central Institutions (Subcomponent 2.3).

As examples only, the DGE&T may wish to trial new procedures for registering private training providers; a State may wish to experiment with a limited Training Fund; and DGE&T may wish to pilot test innovative uses of any spare capacity in CoEs.

Funds from this subcomponent may also be used to finance initiatives arising from training providers who are part of the vocational training system. An ITC, for example, may have a proposal for developing a training methodology for a new technology that would have economy-wide application. Preference would be given to proposals involving partnerships with industry.

Three pilot activities have so far been identified. These are discussed in Subsection (c), *Priority Activities*. Decision to undertake studies indicated in subsection(c) or some other studies, will be taken by NSC.

#### ***(a) Seeking Expressions of Interest in Piloting Innovations***

Expressions of interest may be submitted to the relevant SSC by State/UT governments, individual ITIs (through their states), individual ITCs and employers' associations. Central Institutions may also submit expressions of interest directly to the NSC. SSCs may comment on applications; any comments must be in writing and should accompany the applications when they are sent to the NSC. Applications coming from individual ITIs *must* be endorsed by the SSC before they can be considered. If a State/UT Agency does not want to consider and comment on any application, it should be sent direct to the NSC.

The NSC considers and decides on all expressions of interest. The NSC reviews and selects proposals. The key to NSC's consideration will be the wider applicability of a proposal. Funds cannot, for example, be used to finance the training needs of one organization only but they could be used to finance the development work of that organization for public distribution. In comparing proposals, NSC will consider:

- The extent to which a proposal has been developed in collaboration with other stakeholders (public and private sectors). The intention is to ensure that organizations have tried to avoid any overlap in their services, to maximize the complementarity of their services, and to cooperate in providing services.
- The extent to which a proposal furthers the objectives of vocational training nationally or within a State/UT. There are no specific guidelines to define this but in general, the objectives of vocational training can be furthered by: (i) developing and providing training services not adequately provided elsewhere, (ii) developing linkages with industry through public-private partnerships, and (iii) developing

training standards to world benchmarks. Applicants are not bound by this list – it is indicative only.

There is no limit on the number of awards that can be made but normally the maximum award is \$1 million. The NSC will not consider applications from State/UTs or from State/UT institutions that, in the view of the NSC, have not reasonably sought to maintain the previous level of Budget allocations to vocational training.

The NSC will justify its decisions and post its minutes on the Project Website to ensure transparency. The chosen proposals will be posted on the Project Website.

(b) Priority Activities

**(i) Developing Private-Public Partnerships**

Several models of public-private partnership have been conceptualized by the DGE&T in consultation with industry. These could be implemented in selected ITIs, with their effectiveness evaluated through independent agencies. The models proposed are:

- *Model 1: Consultancy plus support:* This model is suitable for institutions that work in an environment that is bound by numerous constraints and has little operational flexibility.
- *Model 2: Centre approval and assessment services:* This model is suitable for institutions committed to structural change in the way they operate.
- *Model 3: Technical input by Industry Associations:* Industry would provide only technical inputs and carry out other functions as envisaged in the IMC guidelines.
- *Model 4: Autonomy of the IMC:* An ITI would become autonomous by registering as a Society.
- *Model 6: Adoption of an ITI by an Industry Association:* This is suitable for agencies (at State/UT level) or institutions that are willing to offer management contracts whereby an industry association could take full responsibility for managing the institution, perhaps on lease for a certain period.

DGE&T, in conjunction with particular State/UTs may submit to the NSC proposals to develop alternative models for managing individual or clusters of ITIs.

**(ii) Using Edusat to Deliver Vocational Training**

One of the functions of the Apex Hi-tech Institute in Bangalore is to develop vocational training programs that can be delivered by Edusat. The main purpose of the pilot project is to introduce new techniques of distance education by:

- Creating a distance learning facility;
- Collecting, processing and disseminating content developed by AHI drawn from both academia and industry;
- Providing interaction/feedback/guidance tools to learners and acting as a facilitator between the experts and the trainees;

- Supplementing and bringing uniformity to the conventional system of vocational training;
- Exploring the possibility of using the network for administrative purposes of the vocational training network; and
- Evaluating pilot project to determine the feasibility of its wider use.

**(iii) Developing State-wide Training, Career and Placement Offices in ITIs**

ITIs participating in the project are required to operate functioning TCPOs. In addition to this, State/UT governments may apply for Innovations Funds to assess, through pilot programs, the feasibility of introducing longer term sustainable models that could cover all ITIs in their regions. Graduates of CTS training in all ITIs could benefit significantly if more direct action were taken to find employment for them either immediately after they complete their courses or pending completion. This would require establishing direct links with employers or with established placement agencies, where they exist. The value of these services would vary greatly from region to region and more than one model could be trialed.

### ***Subcomponent 2.3: Strengthening the Capacity for Curriculum Development***

Three central institutions are variously involved in curriculum development and in the preparation of resource materials. They are:

- The Apex Hi-tech Institute (AHI) in Bangalore,
- The Central Staff Training and Research Institute (CSTARI) in Kolkata, and
- The National Instructional Media Institute (NIMI) in Chennai.

Their work is essential for the long-term sustainable development of vocational training, up-to-date curricula, sound assessment and testing procedures and the development of training standards that move towards international benchmarks.

#### ***(a) The Apex Hi-Tech Institute***

Under this component AHI is strengthening its capacity to support curriculum development for emerging sectors and strengthening its capacity to develop curricula for the training of instructors and trainers.

Curriculum development is central to the long-term sustainability of the project outcomes. Both AHI and CSTARI have a role in this. The distinction between them is based on the level of the training required, with AHI claiming the hi-tech ground. However, this might be more rightly seen as the field of emerging skills, irrespective of which industry sector is involved or the sophistication of the technology.

AHI can therefore be seen as the pioneer in curriculum development. Only after AHI has successfully developed and tested a curriculum covering emerging skills – including developing the procedures for examining students and for certifying their skills – is the curriculum passed to CSTARI for maintenance as a regular course to be approved and maintained by NCVT.

AHI is also the keeper of standards for vocational training. Specifically, AHI should be responsible for benchmarking Indian standards against international requirements.

***AHI is supported under the project to develop its role as curriculum development pioneer and as the agency to benchmark Indian training against international standards.*** AHI will prepare detailed plans for this for endorsement by the NSC.

#### ***(b) The Central Staff Training and Research Institute***

CSTARI is responsible for conducting training programs and undertaking research and development in the field of vocational training. It develops the curricula for trades under the Craftsmen Training Scheme and, accordingly, is of central importance to the long-term development and maintenance of curricula in ITIs.

This subcomponent builds the capacity of CSTARI to continue its curriculum development role and to strengthen its infrastructure by:

- Staff training including in techniques of curriculum development;



- Providing computer hardware and software;
- Civil works.

In addition, CSTARI will be strengthened by engaging consultants and experts to redevelop any outdated and outmoded curricula among the existing trades.

(c) The National Instructional Media Institute

NIMI is responsible for developing training materials designed to help trainees achieve the set training standards. The major activities of NIMI are to:

- Develop instructional media packages (IMPs). IMPs cover:
  - Trade theory used by instructors and trainees
  - Trade practical used by instructors to plan and undertake skill training
  - Assignment/test used by instructors to plan and undertake skill training
  - Instructor Guides used by instructors to plan and undertake skill training
  - Wall charts and transparencies used as visual aids;
- Develop the Question Bank for assessing and evaluating trainees:
  - The Question Bank is used to generate examinations for the twice-yearly trade testing for craftsmen and apprentices.
- Train instructors in the use of NIMI materials;
- Print, publish and disseminate NIMI products; and
- Translate IMPs into Hindi and regional languages.

This subcomponent will build the capacity of NIMI to continue its work and to strengthen its infrastructure by:

- Capacity building through staff training including training in media development, Question Bank development, training of trainers, management development;
- Development of Question Bank for further trades;
- Improving equipment used to develop instructional materials; and
- Civil works for additional storage space.

### **Component 3: Project Management, and Monitoring and Evaluation**

#### ***Subcomponent 3.1: Project Management***

The project is guided at the central-level by a National Steering Committee (NSC), chaired by the Secretary of MoLE, and including significant senior-level representation from industry. The NSC selects State/UTs to participate in the project, and allocate funds for project activities to the DGE&T, State/UTs, institutions and others. The NSC reviews project implementation at the national level. The NSC is supported by a National Project Implementation Unit (NPIU), headed by a National Project Director.

Within each State/UT the project is guided by a State Steering Committee (SSC), headed by the Principal Secretary/ Secretary/ Commissioner for vocational training and including significant senior-level representation from industry. The SSCs recommend institutions to be financed under the project and within their project budget allocations. Each SSC will review project implementation at a State/UT level throughout the life of the project. The SSC is assisted by a State Project Implementation Unit (SPIU) with adequate full-time officials/consultants and support staff.

At the institutional level, each participating ITI has an Institute Management Committee (IMC) for the whole ITI, with significant participation of industry. It is chaired by an industrialist so as to enhance the involvement of industry in all aspects of training and to ensure that training courses are fully demand driven. IMCs have been delegated sufficient authority in academic, administrative, financial and management matters to discharge their functions documented in the MoU signed between GOI and the states.

The project involves the two layers of government, individual institutions and industry. For that reason, it is managed at national, state and local levels and incorporates industry as a significant partner. The structures described below aim to develop management structures that will manage the project efficiently and effectively, in economic and business terms.

Although the formal structures do not attempt to include as many stakeholders as possible, project management is still responsible for consulting with stakeholders when necessary, for taking their views fully into account during project implementation, and for involving them whenever possible.

#### **(a) National-Level Structures**

##### **(i) National Steering Committee**

Although most State/UTs are involved in the project the MoLE is the implementing agency, with responsibility for overall policy directives, coordination and directions for all project activities. At an operational level, this responsibility is vested in the National Steering Committee (NSC). The NSC is formed at the national level with representation from private sector. The NSC plays a key role in guiding and advising the project implementation and the systemic reform that the project will initiate. Its operational costs, including sitting fees for industry representatives, are financed by the project.

The NSC has nine members:

- Three members nominated respectively by CII (Confederation of Indian Industry), FICCI (Federation of Indian Chambers of Commerce and Industry) and ASSOCHAM (Association of Chambers of Commerce).
- Three members nominated by the GOI. The nominees must be persons with particular expertise and interest in vocational training.
- The Financial Advisor to MoLE (or his nominee)
- The National Project Director is an ex-officio member, and acts as Secretary of the Committee.
- The Secretary, MoLE is the chairperson of the Committee.

The NSC is responsible for:

- Guiding the work of the National Project Implementation Unit (NPIU).
- Reviewing and approving the Annual Work Plan and Budget (AWPB) of the NPIU.
- Reviewing implementation progress periodically.
- Overseeing operational activities of State Steering Committees.
- Considering recommendations put forward by State Steering Committees for financing proposals in IDPs.
- Considering proposals for the Incentive and Innovations Funds and deciding on proposals that are to be financed.
- Appraising proposals from MoLE for policy development activities and suggesting areas for policy development to be taken up by NPIU.
- Scrutinizing and approving proposals for foreign training and study tours.

The NSC meets quarterly although ad hoc meetings may be convened by the Chairperson based on needs.

## **(ii) National Project Implementation Unit**

### *NPIU functions*

Under the guidance of the NSC, the NPIU is directly responsible and accountable for project implementation, day-to-day management and coordination, and for meeting the administrative and legal requirements of the GOI and the World Bank; including such things as the timely release of funds to the State/UTs, for submitting reimbursement claims and for providing timely progress and expenditure reports that adhere to World Bank policies and guidelines. It also organizes joint review missions (JRM) with World Bank and prepares documents for the JRMs.

The NPIU provides information and examples of good practice, and guides and supports State/UT governments and institutions on all aspects of project implementation. This includes providing guidance on preparing IDPs and on procurement and financial issues. It also includes, wherever required, efforts to build capacity of the State/UTs, particularly of the SPIUs. The NPIU facilitates sharing information across State/UTs and facilitates training, including training abroad.

The NPIU periodically monitors progress of implementation at the central and state levels. It maintains a Project Website that is the hub of information for the State/UTs on the project, and that underpins the Management Information System (MIS).

The NPIU develops an Annual Work Plan and Budget (AWPB) for the consideration of the NSC.

The NPIU is headed by a National Project Director (NPD). This position is occupied by a senior official of MoLE, at the rank of Joint Secretary/Director General. The role of NPD is expected to take up some 20% of the officer's time.

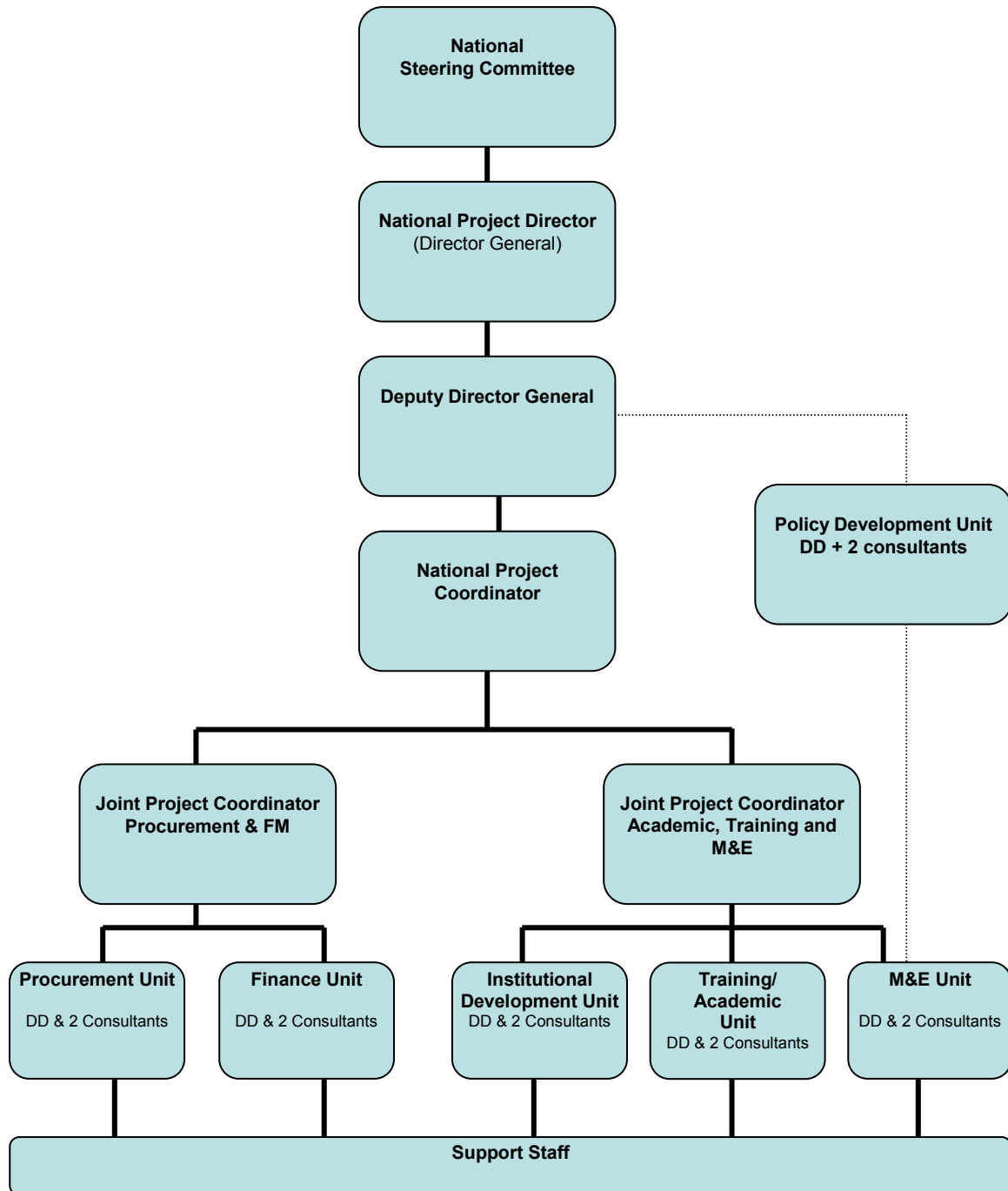
The NPD will be assisted by one full-time coordinator in the rank of Director in the MoLE. As illustrated in the NPIU organogram, the coordinator designated as the National Project Coordinator (NPC) will guide, coordinate, manage and monitor all Project activities, except for the Sub-component 2.1(a), through 4-6 functional units (Procurement Unit, Finance Unit, Institutional Development Unit, Training/Academic Unit and Monitoring & Evaluation Unit). The Deputy Director General (DDG) in the DGE&T, in his capacity as the Policy Development Coordinator (PDC) will be directly responsible for managing Policy Reforms (sub-component-2.1(a)) of the Project. A Policy Development Unit will be placed under him/her, with an officer not below the rank of a Deputy Director, who will in turn be assisted by contracted staff/ consultants.

The various units supporting both the NPC and PDC will be staffed (with deputed full-time officials from MoLE and, consultants) as shown in the NPIU organogram. The officer in charge of the Institutional Development Unit will also be the nodal officer for Equity Assurance Plan (EAP) and Environment Management Framework (EMF). She/he will be assisted by a full-time time consultant to develop training manuals/ materials on these aspects and provide training support to the SPIU staff and ITIs. The Monitoring & Evaluation Unit will also functionally support the PDC. The NPC will be empowered to recruit short-term and full-time consultants as required from time to time. The Project will finance the salary cost of only the full-time staff in the NPIU, fee to consultants, salaries of contractual support staff, expenditure on rent and refurbishment of hired offices, goods, study tours & fellowship programs and training workshops, travel and other operating costs of the NPIU.

Apart from the full time consultants, appointed with approval from the NPD on annual contract, in the various Units, the NPC has the authority to appoint short term consultants and support staff as and when needed. The salaries of all project staff deputed from the MoLE to in the NPIU on a full-time basis are borne by the project. The salaries of consultants and contract support staff, and the cost of travel and other operating requirements of the NPIU are also borne by the project.

### *NPIU Structure and Composition*

The structure and composition of the NPIU are shown in the attached chart.



### *NPIU Staff Duties*

The *National Project Director* has overall responsibility for the project and is accountable for its management. With the guidance of the NSC, the NPD is responsible for:

- Overseeing the project implementation, including compliance with the Equity Assurance Plan and Environmental Management Framework.
- Reviewing the annual and semi-annual work plans and budgets of the NPIU and placing it before the NSC for approval.
- Directly supervising the NPC and the PDC.
- Providing directions and guidance to NPC and PDC for project implementation and policy development.
- Coordinating with the relevant Principal Secretaries/Secretaries/Commissioners at the State/UT level for effective implementation of the project and helping resolve issues requiring high level interventions.
- Facilitating joint review missions and other supervision and implementation support mission, as required.
- Carrying out related tasks as may be reasonably requested by the NSC.

The *National Project Coordinator* provides support to the NPD and is directly responsible for:

- Preparing annual work plans, including annual budgets and detailed semi-annual plans and budget.
- Selecting (with the approval of the NPD), manage and arrange training for NPIU staff.
- Considering and authorizing proposals for local technical assistance for activities undertaken at the national level.
- Considering proposals for and subsequently procuring international technical assistance for activities undertaken at both national and State/UT levels.
- Arranging international study tours involving national or State/UT participants.
- Liaising with stakeholders (local and foreign) involved in the project.
- Arranging/organising periodic workshops for SPIUs to discuss progress with the project and to identify and solve emerging problems.
- Ensuring effective transfer of knowledge and lessons learnt to the counterparts within and across ministries.
- Ensuring that any services that can ensure more efficient performance of the project have been provided.
- Submitting annual plans and budget, quarterly progress report to the NSC.
- Organising joint review missions and other supervision and implementation support mission, as required.
- Carrying out related tasks as may be requested by the NPD and the NSC.

The *Financial Management Unit*, under the guidance of the NPC and direct guidance of the relevant JPC, the Financial Management Unit (FMU) is responsible for:

- Managing the funds provided for national level activities under the project, including monitoring project accounts and costs.
- Ensuing full knowledge and systematic application of the World Bank's procedures and requirements for financial management.
- Guiding the operations of Finance Officers in SPIUs through providing advice and operating a clearing house for issues (problems and solutions) raised by States/UTs.
- Acting as a support and reference person for all project-related financial management tasks.
- Preparing annual estimates and budget for the project.
- Ensuring timely release of funds to states as per project norms.
- Ensuring maintenance of project accounts as per standard procedures.
- Preparing consolidated project level quarterly Financial Management Reports and ensuring their timely submission to the Bank.
- Ensuring timely preparation and submission of monthly/quarterly claims for reimbursement to CAAA.
- Coordinating receipt of annual audit reports from State/UTs and audit of NPIU. Prepare and submit Compiled Audit Report to the Bank on a timely basis.
- Ensuring timely compliance of audit observations by NPIU and coordinating timely response from State/UTs about audit observations.
- Participating in reviews and monitoring of states.
- Preparing and implementing a plan of capacity building in financial management of FM staff in SPIUs and reviewing the capacity building requirements of FM staff at all levels on a regular basis e.g., annually.

The *Procurement Unit*, under the guidance of the NPC and the direct guidance of the relevant JPC, is responsible for:

- Ensuring full knowledge and systematic application of the World Bank's procurement guidelines and answering questions from states and ITIs regarding World Bank's procurement policies
- Managing the procurement of goods and consultancies required for national level activities under the project and managing the procurement of international goods and consultancies.
- Executing International Competitive Biddings
- Guiding the operations of Procurement Officers in SPIUs through providing advice and operating a clearing house for issues (problems and solutions) raised by State/UTs.
- Building capacity of the State Procurement Officers in accordance with the World Bank's procurement guidelines and as per the outcomes of the procurement capacity assessment.

- Reviewing the procurement documents and certifying technical specifications before forwarding the documents to the World Bank for prior review.
- Facilitating post-reviews that may be conducted by the World Bank.
- Acting as a support and reference person for all project-related procurement tasks.
- Acting as first line for dealing with enquiries or complaints referred directly to the NPIU or referred by SPIUs.

The *Institutional Development Unit*, under the guidance of the NPC and the direct guidance of the relevant JPC, is responsible for:

- Orienting the State/UTs on the structure and methodologies of preparing IDPs and selection criteria.
- Reviewing funding requirements from the institutions and the State/UTs.
- Raising stakeholders' awareness of the project objectives and eligibility criteria for financing.
- Reviewing recommendations from SSCs for funding IDPs and preparing advice for the NSC.
- Developing guidelines and modules for capacity building of IMCs and conducting a few regional workshops to orient State/UTs, institutions and IMCs.
- Evaluating the performance of IMCs and disseminate good practices.
- Organising training for SPIU officials and ITI principals on institutional management.
- Organising sharing workshops at national and regional levels for sharing good practices on IMC, institutional development, and innovations.
- Developing and overseeing procedures for undertaking quality audits of institutions participating in the project.

The *Academic/Training Unit*, under the guidance of the NPC and the direct guidance of the relevant JPC, is responsible for:

- Organising and facilitate training for principals and instructors.
- Organising and facilitate overseas training and study tours for administrators, principals and instructors.
- Reviewing the training plans of State/UTs and helping them to implement the plans.
- Facilitating strengthening of the Central Institutions involved in the project.
- Providing support for activities concerned with curriculum revision and refinement.

The *Monitoring and Evaluation Unit*, under the guidance of the NPIU Director is responsible for:

- Developing, implementing and maintaining a project management information system (MIS).
- Monitoring the internal operations of the project.
- Guiding the operations of Monitoring and Evaluation Specialists in SPIUs through providing advice and operating a clearing house for issues (problems and solutions) raised by State/UTs.



- Incorporating baseline data on the performance of institutions into the MIS.
- Developing procedures to regularly monitor the performance of institutions participating in the project, and preparing semi-annual monitoring reports based upon information submitted by SPIUs. This will include procedures for assisting with ad hoc surveys (such as tracer studies and surveys of employers' attitudes).
- Conducting/commissioning impact evaluation of training programs and various types of other studies, and disseminate the findings.

The *Policy Development Section*, under the guidance of the NPIU Director, and the direct supervision and guidance of the PDC, coordinates activities under Component 2 *Promoting Systemic Reform and Innovations* and is responsible for:

- Developing TORs for policy studies, hiring national/international consultants to undertake studies, and supervising the work of consultants;
- Organising workshops with key stakeholders (across different ministries, the private sector and NGOs) to disseminate interim findings and final reports;
- Preparing progress reports on work undertaken for presentation to NPD and the NSC.
- Overseeing the implementation of pilot projects that arise out of the studies.

#### (b) State-Level Structures

##### **(i) State/Territory Steering Committees**

State/UT governments involved in the project have established State Steering Committees (SSC) of up to seven members for the life of the project. The operational costs of the SSCs, including sitting fees for industry representatives, are financed by the project. Each SSC has ten members as follows:

- The Principal Secretary, Department of Labour/ Technical Education/ Secretary (as applicable) as the Chairperson,
- Financial Advisor/ Financial Controller of the concerned Department,
- Chief Engineer of the State PWD or his nominee not below the rank of a Superintending Engineer,
- Three industry members nominated by major industry associations,
- Three members having knowledge and interest in vocational training nominated by the State/UT Government. The nominees should be regarded as persons with particular expertise and interest in vocational training, and
- The State Project Director shall be the ex-officio member, and shall act as Secretary of the SSC.

The SSC is responsible for:

- Guiding the work of the SPIU and authorizing reports to the state government, to the NSC, and to the World Bank.
- Assessing and recommending the IDPs for financing under the project.
- Overseeing operational activities within the state.

- Preparing applications to Innovations Funds.
- Reviewing and approving the training plans for the staff of SPIU and of institutions.
- Reviewing and recommending to the NSC foreign training plans.
- Meeting quarterly, or more frequently as required, to take stock of the project and facilitate project implementation.
- Recommending to the NSC proposals for the use of the Incentive Fund.

## **(ii) State Project Implementation Unit**

### *SPIU Functions*

The SPIU's major workload is in implementing Component 1 – *Improving the Quality of Vocational Training*. Consequently, its focus is to manage the project as implemented through ITIs. The SPIU is responsible and accountable for this aspect of the project, including the timely release of funds to ITIs, submitting reimbursement claims, and preparing timely progress and expenditure reports that adhere to Bank policies and guidelines.

The SPIU provides information and examples of good practice, as well as guidance and support to institutions on all aspects of program implementation. This includes guidance on preparing IDPs, and on procurement and financial issues. It also includes efforts to build capacity of the ITIs, particularly the IMCs, wherever required. The SPIU facilitates the sharing of information among ITIs and also training.

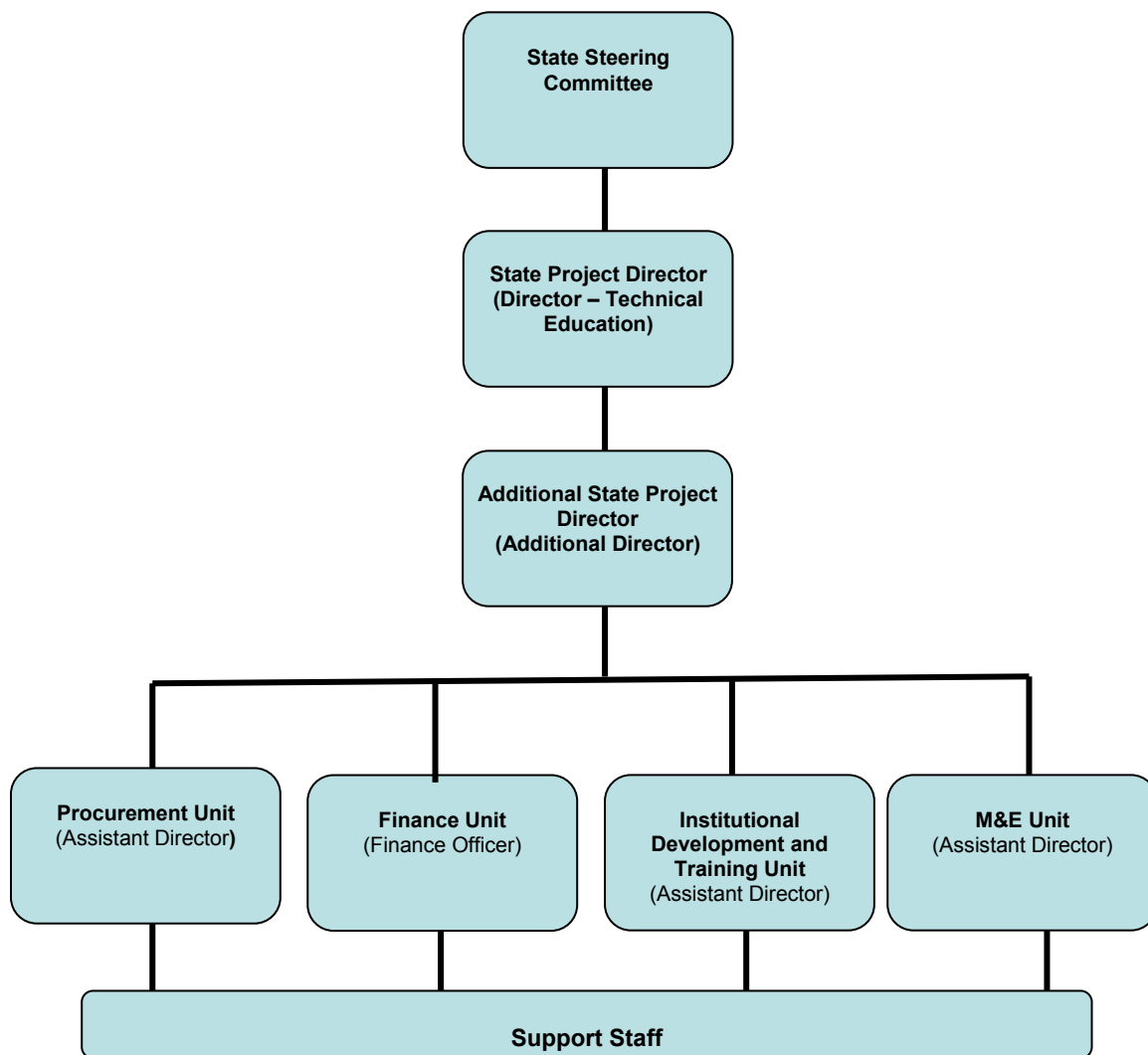
It assists and prepares documents for joint review missions. The SPIU periodically monitors progress of implementation at the institute level. It is responsible for ensuring that accurate and timely information is incorporated into the Project Website that is maintained by the NPIU as the hub of information for the States/UT on the project.

The Director of Technical Education (or the Department that manages ITIs) is designated as the State Project Director (SPD). The SPD is assisted by an Additional State Project Director (ASPD).

The salaries of all staff deputed from the State/UT government to the SPIU are borne by the project. The salaries of consultants and contract support staff, and the cost of travel and other operating requirements of the SPIU are also borne by the project.

### *SPIU Structure and Composition*

The structure and composition of the SPIU are shown in the attached chart.



There are three groups of SPIUs: those in State/UTs where 10 or more ITIs are included in the project; those where fewer than 10 but more than 2 ITIs are included; and those with only 1 or 2 ITIs.

#### ***SPIUs managing 10 or more Project ITIs***

These SPIUs have four Units under the ASPD, each headed by a government officer not below the level of Assistant Director; except the Finance Unit, which is managed by the Finance Officer:

- Procurement,

- Financial Management,
- Institutional Development & Training, and
- Monitoring and Evaluation.

These SPIUs may hire three to four consultants on contract basis to help the four Units, based on the needs of the Units. A maximum of two support staff can be hired by the SPIU to support the team of professionals.

***SPIUs managing fewer than 10 Project ITIs***

These SPIUs have three Units under the ASPD, each headed by a government officer not lower than Assistant Directors:

- Procurement and Financial Management,
- Institutional Development;
- Training and M&E.

These SPIUs may hire one or two consultants on contract basis to help the three Units, based on the needs of the Units.

***SPIUs in State/UTs managing only 1 or 2 Project ITIs***

The work is managed by the existing officers and staff. These SPIUs may hire one or two short-term consultants on a contract basis as per their need.

***SPIUs Staff Duties***

The State Project Director is responsible for:

- Supervising the overall project management and implementation.
- Obtaining clearance, if any, from higher level in the state government.
- Coordinating with the NPIU.
- Furnishing information to the State/UT government and the NPIU as well as MoLE, as required.
- Convening the meeting of SSC on behalf of the Secretary.
- Acting as the ex-officio member and the Secretary of the SSC.

The Additional State Project Director is responsible for:

- Managing and coordinating implementation of the project on a day-to-day basis.
- Preparing project's annual work plans, including operations and budgets.
- Monitoring all project activities.
- Selecting (with the approval of the SPD) and manage SPIU staff and ensuring their proper training and readiness.
- Considering proposals for and subsequently procuring local technical assistance for activities undertaken the state level.
- Mobilising resources to meet project's technical assistance needs.
- Liaising with stakeholders (local and foreign) involved in implementing the project,

- Ensuring the effective transfer of skills to staff of counterpart ministries.
- Facilitating the provision of required services to ensure efficient performance of the project.
- Submitting quarterly progress report to the SSC.
- Carrying out related tasks as may be reasonably requested by the SSC.

The *Finance Officer*, under the guidance of the SPIU Director, and directly under the ASPD, is responsible for:

- Managing the funds provided for state level activities under the project, including monitoring project accounts and costs.
- Ensuring full knowledge and systematic application, including by key staff within the State/UT, of the World Bank's procedures and requirements for financial management.
- Liaising with the Finance Officer at the national level, providing information on issues (problems and solutions) for the national clearing house.
- Acting as a support and reference person for all project-related financial management tasks.
- Preparing annual estimates and budget for the project at state level and submit to NPIU
- Ensuring timely release of funds for project activities at State/UT level e.g., to ITIs
- Ensuring maintenance of project accounts as per standard procedures in the SPIU and in ITIs
- Preparing quarterly Financial Management Reports (FMRs) and ensure their timely submission to NPIU.
- Ensuring the timely preparation and submission of monthly/quarterly claims for reimbursement to NPIU
- Coordinating submission of annual audit report from state to NPIU and timely compliance of audit observations. If a system of internal audit exists the Finance Officer should ensure adequate coverage, scope and timely and satisfactory response to observations by internal auditors.
- Reviewing and monitoring financial management arrangements for the project at ITIs.

The *Procurement Officer*, under the guidance of the ASPD, is responsible for:

- Ensuring full knowledge and systematic application, including by key staff of relevant State/UT officials, of the World Bank's procurement and consultancy guidelines.
- Managing the procurement of works, goods and consultancies required for state level activities under the project and manage the procurement of international consultancies
- Executing NCBs.
- Liaising with the Procurement Officer at the national level, providing information on issues (problems and solutions) for the national clearing house.

- Acting as a support and reference person for all project-related procurement tasks.
- Submitting quarterly procurement progress reports to the SPIU Director
- Acting as first line for dealing with enquiries and complaints referred to the SPIU.

The *Monitoring and Evaluation Officer*, under the guidance of the ASPD, is responsible for:

- Maintaining the project MIS at the state level.
- Monitoring the implementation of the project on a day to day basis.
- Liaising with the Monitoring and Evaluation Specialists at the national level, providing information on issues (problems and solutions) for the national clearing house.
- Assisting the Monitoring and Evaluation Specialist at the national level to incorporate baseline data on the performance of institutions into the MIS.
- Implementing and overseeing procedures for the regular monitoring of performance of institutions participating in the project. This will include procedures for assisting with ad hoc surveys (such a tracer studies and surveys of employers' attitudes).
- Undertaking regular field visits in order to monitor institutions using a simple checklist, and consolidate quarterly monitoring reports based on the checklists. Propose any corrective action that needs to be taken. This should be acted on by the SPD. The NPIU Monitoring & Evaluation Unit is responsible for collating these monitoring reports from SPIUs, and preparing semi-annual monitoring reports.

The *Institutional Development and Training Office* is responsible for:

- Raising stakeholders' awareness of the project objectives and eligibility criteria for financing.
- Contributing to the work plans of the SPIU.
- Evaluating IDPs and providing written advice on them to the SSC.
- Preparing, as required, applications to the Incentive Fund and Innovation Fund and providing them to the SSC for consideration.
- Undertaking quality audits of institutions participating in the project.
- Conducting orientation program for IMC members.
- Identifying training needs in a participatory way and preparing plans for meeting the training needs of the institutions' principals and instructors.

#### (c) Role of World Bank during Project Implementation

The World Bank has two main roles to play during project implementation. The first is to supervise the overall progress of the project, including through missions conducted jointly with GOI. The second is to oversee procurement, including by requiring prior review of some proposed decisions.

Under its supervisory role the Bank will:

- Conduct jointly with the GOI (through DGE&T), semi-annual, mid-term and end-term Joint Review Missions for monitoring overall progress in project implementation and achievements. TORs for each of these reviews will be set by the IDA.
- Undertake, jointly with the DGE&T, on-site visits to States and ITIs for implementation guidance, as required from time to time.
- Undertake periodic stock taking of project implementation progress with the NPD/NPIU.
- Provide technical assistance and guidance to the NPIU as requested from time to time.
- Provide technical assistance and guidance to the centrally-funded institutions, SPIUs and ITIs in collaboration with the NPIU, as requested from time to time.
- Review:
  - Financial Monitoring Reports,
  - Consolidated Audit Report for each financial year, and State specific audit reports as per need, and
  - Audit of the Environmental Management Framework.

Under its role in supervising procurement the Bank will

- Carry out prior review of and give 'no objection' to:
  - Annual Instructor Training Plans, prepared by the Apex Hi-Tech Institute, by July 31 each year.
  - DGE&T proposals for re-allocation of funds from non/poor performing States to better performing States.
  - NPIU proposals for all foreign study tours and fellowship programs.
  - Proposals seeking financial assistance under the Innovations Fund.
  - TORs for carrying out annual evaluation of the project, and for conduct of various studies related to policy reforms, labor market outcomes, compliance with EMF and EAP (if any), etc. through independent local/ international consultant firms.
  - Contracts for Goods, Works and Services in accordance with the relevant provisions in the GOI's Procurement Manual for the project.

#### (d) Implementing an Effective Role for IMCs

The MoU defines the functions of the IMCs as:

- Helping to forecast emerging skills requirements and accordingly:
  - suggest modifications in respect of various courses
  - add new trades/units with the concurrence of relevant State/UT and national authorities and/or abolish trades that are redundant or irrelevant to the locality;
- Starting short-term training programs;

- Reviewing training needs and approve training of instructors, and of administrative/office staff;
- Facilitating placement of graduates;
- Endorsing expenditure as proposed by ITI Principals;
- Generating, retaining and utilizing all the revenue (other than the prescribed fee); and
- Appointing contract faculty.

The precise degree of executive authority to be exercised by any IMC depends on the model of private-partnership that has been implemented by the State/UT. However, even where the model precludes an IMC from exercising any executive authority the IMC must still authorize the institute's IDP, authorize the budget and planning under the project, and authorize project expenditures within the delegations specified in the MoU.

In order to properly undertake its function, an IMC may invite individuals with special interests or expertise to join their meetings from time to time. This could include, for example: (a) representatives from local industry, and industry associations; (b) General Manager, District Industry Centre.

Primarily, an IMC will meet on a needs basis, for example to prepare IDPs and to consider annual budget plans or procurement proposals. However, it is desirable that an IMC should not go longer than four months between meetings.

Consideration may be given, where necessary, to reimburse members of particular IMCs for any costs incurred in attending meetings and to paying sitting fees. Where this is considered necessary it would be against State/UT norms or requirements.

Finally, it is proposed to review the operations of IMCs during the mid-term review. An independent contractor will be used to conduct the review. The cost of the review will be borne by the project under subcomponent 3.2 Monitoring and Evaluation (Thematic Reviews and Studies).

### ***Subcomponent 3.2: Monitoring and Evaluation***

This subcomponent provides monitoring and evaluation on three levels:

- *Monitoring project implementation*, including the allocation and use of resources – essentially to ensure that project guidelines are met and that the project schedule is followed.
- *Monitoring project outputs* – essentially to measure outputs such as the implementation of organizational changes in upgraded ITIs, instructors trained, new courses introduced, number of students participating in the project and their course completion rates.
- *Evaluating the project impact* – essentially to measure the effect the project is having on student outcomes such as improved employment and higher earnings.

Technical assistance may be provided to develop the capacity of MoLE and State/UTs to monitor the performance of ITIs. Monitoring includes collecting and processing data at



state and national levels, updating the project output Key Performance Indicators (KPIs), and taking corrective measures as needed.

Project evaluations are undertaken by an independent local/international third-party with experience in evaluating training programs, including designing and fielding nationally representative surveys, and analyzing survey data. There will be annual impact evaluations beginning in the second year of the project.

The project is monitored continually by the NSC and by SSCs, which prepare semi-annual progress reports. Monitoring activities include collecting and processing data at state and national levels. This includes data relating to:

- institutions, encompassing organization and implementation of teaching/learning programs, provision of learning materials, and maintenance of physical facilities and the learning environment, etc.;
- students, including enrollment, attendance, in/out transfers, completion rates, learning achievement, etc., all disaggregated by gender/SC/ST, as appropriate;
- teachers, including age, gender, academic and professional qualification, teaching experience, etc.; and
- utilisation of funds, including usage and breakdown by categories, and unit cost per student, etc.

Monitoring also requires the KPIs to be updated. Data from the MIS, monitoring reports and evaluation studies will constitute important components of these semi-annual reports. The NPIU will present a state-wise analysis based on SSC semi-annual reports and suggest corrective actions that need to be undertaken.

The GOI and the World Bank undertake a major joint review at the project's mid-term. This should include visits to a selection of institutions and interaction with stakeholders such as the private sector, IMC members, students, and instructors. The Mid-term review assesses progress, helps to identify problem areas and suggests any corrective actions that may be needed at different levels.

At the completion of the project, the GOI and World Bank jointly undertake an Implementation Completion Review Mission to assess the overall achievement of the project objectives.

#### (a) Management Information System

The Management Information System (MIS) is the basis for effective monitoring and evaluation of the project. In the short to medium term, the MIS supports the project, allowing project implementation to be monitored and project outputs to be measured. However, it is also being implemented as an integral part of the operations of the ITI network and is designed to cover all ITIs, not only those in the Project. The MIS is conceived as a network of computers allowing easier maintenance of records and the aggregation of management information at all levels. All ITIs will receive one computer, with appropriate software. The M&E Units of the SPIUs are responsible for regularly updating information on *all* ITIs at the state level, not simply those supported by the project.

The MIS is expected to be operational within six months of the project commencing. Eventually the MIS should be extended to all ITCs and to any apprenticeship centres willing to be involved.

Initially, the MIS will give priority to maintaining data related to courses being upgraded under the project. In due course it will be extended to cover other courses, including short-term and tailor made courses, run by ITIs.

The MIS is to be developed and maintained by a third party, with the terms of reference for the work involved being agreed between the World Bank, DG&T and the contractor. (Note that discussions are taking place with the V. V. Giri National Labour Institute (NLI). Subject to satisfactory terms of reference being agreed, NLI will assume the role of the third party.).

#### (b) Monitoring Project Implementation

Monitoring project implementation is based primarily on analysing data generated by the MIS. Regular reports are required; aggregated into ITI-level, State/UT-level and national-level reports. At the ITI and aggregate level, however, significant problems are to be reported as soon as they become evident, especially if they are known to be or suspected of being systemic.

In addition, SPIU Monitoring Cells undertake regular field visits to institutions (they may hire consultants to assist them in this) to make checks of progress. Each institution is to be visited at least once a year and on a needs basis. Visits should be coordinated with the NCVT, which will audit participating ITIs to ensure they continue to comply with NCVT norms and standards. Failing this, ITIs could lose their accreditation.

Standard checks are carried out against the information produced by the MIS and against the NCVT standards and norms. If MIS data are not available – for example, in the early days of the project – the visits should still take place with the visiting officer required to complete a report against the same variables produced by the MIS. The standard checks to be carried out during monitoring visits are to be developed by the NPIU, in consultation with the World Bank.

SSCs prepare quarterly reports based on the MIS output, on field reports and on other reports available at the State/UT level. The purpose of the reports is to interpret progress and to highlight problems. The quarterly reports propose any corrective actions that need to be taken. The SPIU Director reports to the SSC the actions that are being followed up and highlights when a matter has been referred to the NPIU.

Reports that highlight systemic problems are acted on by the NPIU. The NPIU documents its response to the reports and indicates the corrective action it proposes. The NPIU prepares consolidated quarterly reports to be drawn to the attention of the NPC. The reports are made available to JRMs.

Monitoring of project implementation is a more time consuming task than other aspects of M&E in the early period of the project. Systemic problems could cover issues like: lack of staff training within the NPIU and SPIUs or at institutional level; inter-ministerial

difficulties in clearing procurement backlogs; inter-government difficulties in arranging for adequate flow of funds; and difficulties in communication between the NPIU and the World Bank if and when Bank intervention or advice is required before a problem can be resolved. The difficulties are addressed as soon as they arise and do not wait to be highlighted in monthly or quarterly reports.

In the event the Bank is required to intervene or advise in some way, it also documents its response and indicates the corrective action it proposes. As with NPIU reports, Bank documents and reports are made available to JRMs.

### (c) Monitoring Project Outputs

The primary purpose of monitoring project outputs is to measure performance indicators that can be used to compare implementation progress between State/UTs (see Subcomponent 1.3, *Comparing the Performance of States*).

- The proportion of a State/UT's nominal allocation that has been expended;
- The proportion of relevant instructor vacancies that are filled in participating ITIs;
- The proportion of graduates that are introduced to employers through the TCPO.
- The proportion of instructors who receive training
  - Entry level training;
  - CoE instructor training;
  - Refresher training.

Project outputs are primarily monitored by analysing the MIS. Regular reports are required; aggregated into ITI-level, State/UT-level and national-level reports. They are prepared in conjunction with the reports on project implementation.

Quarterly reports are prepared based on the findings of the field visits, interpreted against the MIS output. The reports highlight any problems and suggest ways in which the problems could be addressed. In some cases the problems will stem from difficulties in project implementation – especially early in the project – but in other cases they could reflect a labour market difficulty, a poor choice of course, lack of instructor training, inadequate equipment and so on.

### (d) Evaluating Project Outcomes

#### **(i) Purpose of Evaluation**

Outcomes are evaluated against the base-line values for each institution and each State/UT in the project.

Evaluation results are used to:

- compute measures by State/UT or region of the KPIs;
- study institution-to-work transitions of trainees over a two year period after graduation (ever work, time to first job, current employment, further training);

- give ITIs continuous feedback from graduates on relevance of trade / training provided and areas for improvement to the curricula; and
- evaluate the impact of ITI reforms and upgrading on the employment and earnings of graduates relative to a comparison group of trainees not benefiting from the project, and as compared to their own pre-project ITI baseline averages.

## **(ii) Key Performance Indicators and Targets**

The Key Performance Indicators are:

- The proportion of commencing CTS trainees who complete training and obtain NCVT certification.
- The proportion of graduates who find work within 12 months of completing their training;
- The earnings of employed graduates; and

The second and third KPIs are only measurable by collecting data through tracer studies that follow up students after they have graduated. An initial Tracer Survey was conducted as a Baseline Study in 2006, prior to the project becoming effective. A number of institutions did not respond to that survey but their inclusion is essential. They will be followed by a supplementary Baseline tracer survey in 2007.

The full Tracer Survey will be updated two times, in 2009 and 2011. These will trace, respectively, the graduates of the CoE intakes in 2006 and 2008.

The Surveys will be developed and maintained by a third party, with the terms of reference for the work involved being agreed between the World Bank, DGE&T and the contractor. (Note that discussions are taking place with the V. V. Giri National Labour Institute (NLI). Subject to satisfactory terms of reference being agreed, NLI will assume the role of the third party.).

It proposed to target the following levels of improvement in each KPI:

- The proportion of commencing CTS trainees who complete training and obtain NCVT certification.
  - The national baseline value is 61% (2006 Institution Census).
  - The target for project ITIs is 73% (a 13% increase on the base value)
- The proportion of graduates who find work within 12 months of completing their training;
  - The national baseline value is 32% (2006 Tracer Study)
  - The target for project ITIs is 50% (a 56% increase on the base value)
- The earnings of employed graduates; and
  - The national baseline value is Rs 2,421 per month (2006 Tracer Study)
  - The target for project ITIs is Rs 3,026 per month (a 25% increase on the base value)

### **(iii) Final Rating of Institutions in Project**

A full understanding of the impact of the project is not possible until close to the end of its life. At that stage it would be desirable to understand how the outcomes vary across State/UTs and across regions within states. The reasons for these variations should be understood. In some cases they will be the result of differences in the plans adopted by individual ITIs, in other cases they will be the result of differences in the management approaches taken. In addition, circumstances can change over the life of the project. Changing economic cycles can make it either easier or harder to achieve satisfactory outcomes, and natural events can interfere greatly and negatively on what can be achieved. Circumstances can change in different ways from region to region; different underlying economic circumstances mean that expecting to achieve the same outcomes may not make a great deal of sense, even within a state or territory.

It is proposed to develop a rating system for ITIs in the project, the maximum rating of 5 stars being allocated to the best performances in improving outcomes. The analysis of the ratings will be included in the Implementation Completion Report.

### **(e) Thematic Reviews and Studies**

Thematic reviews/studies may be carried out under the project, e.g., identifying emerging sectors, skill requirements, and employer surveys. The purpose is to shed light on the economic and labour market conditions the role in the future.

The studies are to be approved by the NSC. Studies should be justified in terms of their benefits to ITI system and their benefits to achieving the project's objective. No particular studies have been identified for automatic inclusion but the following *indicative list* shows the type of studies that *may* be considered:

- A study of emerging skill needs; such as overseas trends in occupational skills, industry trends (growths and declines) in India, and the growth in export markets.
- The impact of globalization on the need for skilled workers in India; such as the likely import of jobs into India and the export of Indian workers abroad.
- The development of the private training market in India; such as the areas frequently covered by private providers and market strengths and failures.
- The implications for ITIs of the demand for skilled workers in the unorganized sector; particularly in rural areas.

This item will also be used to finance an independent review of the operations of IMCs (see sub-component 3.1 (d)) at the time of the joint mid-term review.



### **SECTION III - ENVIRONMENT MANAGEMENT FRAMEWORK**

A study of environmental issues in the ITI system was undertaken in late 2006. As a consequence of this study an Environment Management Framework (EMF) was developed. The full details of the study and of the EMF are available on the Project Website. Following is a summary of the EMF.

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#### **Purpose of Environmental Management Framework**

Planning, development and management of the ITIs may involve some important environmental obligations. An Environment Management Framework would be a helpful tool in preventing or overcoming these unseen hurdles at any stage. For developing an institute, EAEMF would also serve as decision-making tools, ensuring that the project design would result into an environmentally sound and sustainable reality. The DGE&T engaged professional services of CEPT University, Ahmedabad to undertake an environmental assessment and prepare an Environment Management Framework (EMF) with the following main objectives:

- (i) Expand/augment the existing good practices;
- (ii) Incorporate environmental principles during location/siting, design, construction, operation and maintenance of the ITIs and;
- (iii) Integrate industry-specific environmental, health, and occupational safety issues as well as demand-driven industry-specific environmental issues relevant for international benchmarking of the industries in the curriculum for the improved vocational education system.

#### **Methodology Adopted**

In this context, the EA/EMF covered review of standards, statutory and other provisions; assessment of existing situation through site visits and consultation with various stakeholders; documentation of current practices and; preparation of an Environment Management Framework.

A detailed desk review was conducted for various relevant acts, rules, manuals, standards and guidelines at the national level, to have a comprehensive idea of the mandatory as well as suggestive measures that can be incorporated in the EMF. The review of these relevant documents included those related to Site Selection and Planning, Construction, Environmental legislation, Occupational health and safety, Best Practices including EMS and EHS and Operational Policies of the World Bank. As a part of the field assessment, the exiting coverage of environment, health and occupational safety issues in the present course curriculum was also reviewed.

A relatively small but credible set of samples 19 ITIs (Table below), was taken up for site assessment of the existing situation. Samples were selected on the basis of different criteria. These included parameters pertaining to geographic location/siting (urban/

rural/hilly/coastal/flood prone); climatic conditions (hot/humid/arid/warm); polluting nature of trades/pollution potential (chemical, plastic, hospitality, civil, P&M, automobile); and status of the ITI (whether upgraded to CoE or not). The site examinations included interviews with the ITI management, current students and recent graduates about their opinion on the key issues.

**Table: List of ITIs Covered in the Field Assessment**

S.No.	ITI	Location	Climate	Trade
1	Morigaon, Assam	Plain/Rural	Humid, Sub-tropical	Building construction
2	Guwahati, Assam	Urban	Humid, Sub-tropical	Building construction
3	Durgapur, West Bengal	Urban	Tropical Wet & Dry	Instrumentation
4	Shamshi, Kullu	Hilly	Cold, Cloudy	Electrical
5	Bikaner, Rajasthan	Plain/Urban	Arid	Electrical
6	Solan, Himachal Pradesh	Urban	Cold, Sunny	Electronics
7	Vizag, Vishakhapatnam	Urban	Hot, Humid	P & M
8	Cuttack, Orissa	Coastal	Warm & Humid	P & M
9	Ankleshwar, Gujarat	Urban	Hot & Dry	Chemical
10	Gandhinagar, Gujarat	Urban	Hot & Dry	Information Technology
11	Panaji, Goa	Coastal	Warm & Humid	Hospitality Management
12	Pusa, Delhi	Plain/Urban	Semi Arid	Automobiles
13	Hissar, Haryana	Plain/Urban	Semi Arid	Fabrication
14	Karnal, Haryana	Plain/Urban	Semi Arid	Leather
15	Pondichery, Tamil Nadu	Rural	Warm & Humid	Plastic Processing
16	Ambarnath, Mumbai	Urban	Warm & Humid	Refrigeration & A.C Maint.
17	Dadar, Mumbai	Urban	Warm & Humid	Apparel Sector
18	Mahd, Maharashtra	Urban	Warm & Humid	Chemical
19	Coimbatore, Karnataka	Urban	Warm & Humid	P & M

Some important parameters that were assessed during the field survey include location and site planning; accessibility; building design and maintenance (particularly materials used, ventilation, lighting, fire safety); drainage/water logging; provision and maintenance of basic facilities (water, sanitation and waste disposal); repair work practices; availability of class room and laboratory/workshop space per student; resource consumption (energy and water) and; over-all ambience and cleanliness in the campus.

A structured questionnaire was used by a team of experts consisting of qualified and experienced planners, architects, engineers and geographers. The research team was divided into three groups and these groups visited selected ITIs, to investigate the key environmental, health and safety issues.

### **Key Findings**

The major environmental issues, as identified from the field survey and consultation process with various stakeholders, pertain to:

- (a) Poor site planning and design issues (location/site planning/accessibility/design)
- (b) Lack of proper maintenance of buildings and associated services
- (c) Improper resource consumption issues



- (d) Lack of environmental augmentative measures
- (e) Issues pertaining to compliance with the national standards/guidelines

The review of legal provisions, codes and guidelines revealed that while some provisions are being largely adhered to (such as built-up space available per student), some other like siting (location in flood prone areas), use of appropriate construction material, fire safety, access requirement for physically challenged and provision/use of safety gear need attention.

The review of the existing curriculum revealed that even though the course contents has been revised recently, the content and coverage of EHS issues is not sufficient. The industry-level consultation exercise at various locations also highlighted the need for an improved curriculum with national or global norms of occupational health and safety and environmental management practices.

### **Consultation with Stakeholders**

Consultation with various stakeholders was carried out as a part of the EA/EMF exercise through interviews, formal and informal discussions. The stakeholders consulted at the local level include ITI management (Principals, Faculty and other staff); current students; recent graduates; senior and middle level managers/ representatives of the industry. The draft EMF recommendations were also presented in a national level workshop organized during January 2007, where the officials of DGE&T, World Bank, concerned state directorates and the representative of national level industries associations such as CII and FICCI participated. Based on the feedback received during this workshop, the draft EMF report was revised.

### **Environmental Management Framework**

Based on the review of national standards and field assessment, an EMF has been developed for the project. Appropriate measures have been suggested and developed in the Environment Management Framework (EMF) to minimize and mitigate the likely adverse environmental impacts associated with the project.

The EMF prepared for the project comprises of the following components:

- a. Framework for Compliance with the existing national standards/norms
- b. Framework for upgrading/construction activities
- c. Frame work for better campus environment management
- d. Institutional arrangements for implementation and compliance monitoring
- e. Budgetary requirements for EMF implementation
- f. Public disclosure policy

The framework provides a useful set of measures, which would help in preventing, minimizing and/or managing various environmental, health and safety concerns faced during construction, operation and maintenance of ITIs. This includes: (a) measures for Campus Environmental Management; (b) inclusion of environmental, health and occupational safety aspects in the curriculum and; (c) Documentation of good practices to

promote awareness, knowledge and ensure wider recognition of environment management practices related to design, construction, maintenance and operation of ITIs.

### **Institutional Arrangements**

The DG E&T, MoLE will assume the overall responsibility for adequate maintenance of the personnel and resources required to supervise, monitor and implement EMF. Management of environmental aspects in the project shall be addressed by adopting the arrangements as suggested in the following table.

**Table: Institutional Arrangements for the Project**

<b>Level</b>		<b>Composition</b>	<b>Key Tasks / Responsibility</b>	<b>Remarks</b>
Central Level	NPIU	One Deputy Director Level Officer to be designated as Nodal Environment Officer.	<ul style="list-style-type: none"> <li>• Over-all responsibility for implementing EMF.</li> <li>• Disclosure of Documents.</li> <li>• TOR Preparation for appointment of Consultant/s.</li> <li>• Organize capacity building/training programs.</li> <li>• Organize cross-learning workshops.</li> <li>• Publication of Green News Letter.</li> <li>• Establishment and operation of Environment Challenge Fund.</li> <li>• Interaction and co-ordination with industry representatives and other stakeholders.</li> <li>• Reporting and documentation.</li> </ul>	Responsible for organizing and coordinating all Environmental Management Activities related to the project at the NPIU Level.
		One full-time consultant to be designated as Nodal Environ. Specialist.	<ul style="list-style-type: none"> <li>• Assist Nodal Environment Officer in all of the above listed tasks.</li> <li>• Site supervision and monitoring to check EMF compliance.</li> <li>• Train and sensitize SPIUs and ITI staff on Environment Management Aspects.</li> </ul>	Initial appointment for one year; term to be extended, if required
		One Deputy Director Level Officer – IDP Officer for Curriculum Development	<ul style="list-style-type: none"> <li>• Over-see, review and monitor development and integration of environmental awareness/ management concepts in the curriculum revision.</li> <li>• Co-ordinate with Nodal EO and other concerned stakeholders on matters pertaining to curriculum revision.</li> </ul>	Trade Committees to review and certify the adequacy of revised curriculum w.r.t. integration of EM aspects
		One short term consultant to be designated as Training Specialist.	<ul style="list-style-type: none"> <li>• Undertake Training Needs Assessment.</li> <li>• Prepare Training Plan.</li> <li>• Develop Training Material.</li> <li>• Conduct Training Programs for Master Trainers/Instructors and Others.</li> </ul>	Feedback from the NPIU, SPIUs, Trainees and stakeholders from the Industry.

Level		Composition	Key Tasks / Responsibility	Remarks
State Level	SPIU	One Officer to be designated as State Environment Officer.	<ul style="list-style-type: none"> <li>• Screening of projects.</li> <li>• Over-all responsibility for implementation of EMF and compliance of contractual obligations.</li> <li>• Supervision and monitoring of EMF compliance at the ITI level.</li> <li>• Reporting and documentation on EMF compliance to NPIU.</li> <li>• Interaction and co-ordination with industry representatives and other stakeholders.</li> </ul>	Responsible for organizing and coordinating all Environmental Management Activities related to the project at the State Level.
		Short term consultant/s for specific jobs (Environ. Expert; Civil Engineer; Architect etc.)	<ul style="list-style-type: none"> <li>• Undertake/assist Nodal State Environment Officer on allotted tasks (as per the scope of work defined in the Terms of Reference).</li> </ul>	Hiring/out-sourcing, if required on case to case basis for specialized work.
Local Level	ITI	Principal	<ul style="list-style-type: none"> <li>• Implementation of EHS measures as identified in the EMF including EMS.</li> <li>• Environment awareness campaigns.</li> </ul>	Responsible for all Environmental Management Activities at the Institute Level.

Additionally, services of an Environmental Auditor will be procured for independent EMF compliance review. This review will be conducted at the end of second and fourth year of project implementation using a good/well defined representative sample.

### **Training and Capacity Building**

A robust training and capacity building plan would be required to ensure effective implementation of Environmental Management Framework on the ground. Some key elements for capacity building in this regard are summarized in the following table.

**Table: Key Elements of Capacity Building Plan**

Training Module	Level	Key Areas to be Covered	Duration	Target Group
Module 1.0	<ul style="list-style-type: none"> <li>Awareness</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Issues</li> <li>Basic Concepts of EMF</li> <li>Legal Requirements</li> <li>Communication Strategies</li> <li>Public Disclosure</li> </ul>	½ day to 1 day	DG E&T officials and State Directors
Module 2.0	<ul style="list-style-type: none"> <li>Awareness</li> <li>Knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Issues</li> <li>Basic Concepts of EMF</li> <li>Legal Requirements</li> <li>Communication Strategies</li> <li>Environmentally sensitive layout and design</li> <li>Green Building / Eco-Housing concepts</li> <li>Environmental Augmentative measures</li> <li>Green Construction Management</li> </ul>	2 days	Officials of the State Directorate; Master Trainers/ Instructors
Module 3.0	<ul style="list-style-type: none"> <li>Awareness</li> <li>Knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Issues</li> <li>Basic Concepts of EMF</li> <li>Legal Requirements</li> <li>Green Construction Management</li> <li>EHS aspects in Campus Management</li> </ul>	2 days	ITI Principals, Heads /Faculty and Associated staff

## Budgetary Provisions

Budgetary provisions to facilitate EMF implementation are summarized in the following table.

**Table: Over-view of Budgetary Provisions for EMF Implementation**

S. no.	Level	Total Budget Provision (in INR)	Purpose
1	DG E&T / NPIU Level	62,52,400	Staffing, Capacity Building and Related Expenses; Publication of News Letter; Best ITI Challenge Fund.
2	State Directorate / SPIU Level	450,000	Specific short term consultancy requirements and Environment Training
3	ITI Level	50,000	Environmental awareness and related activities

## Notes

Expenditure for environmental training will be covered under over-all training budget of the project. Provision of features like ramps, garbage collection facility, fire safety arrangements, provision of Personal Protective Equipment etc. has not been included here. These will be covered as a part of the institute-level civil works/IDP proposals/equipment procurement component (as appropriate). The detailed checklists on incorporation of planning/design aspects will clearly identify such specific requirements.

## Key Recommendations

Some key suggestions provided to improve the quality of living and working environment in an ITI campus include:

### A. Campus Environment Management Measures

- (i) Improvement of campus environment through provision/maintenance of better sanitation, drainage, water, power, first aid, personal protective equipment (as relevant to specific trades), waste collection and disposal arrangements, proper storage of hazardous and inflammable materials/chemicals and barrier free access for students with disability.
- (ii) The campus environment management plan may also consider landscaping and tree plantation for overall aesthetic improvement.
- (iii) Use of appropriate and environment-friendly materials in civil works.
- (iv) Use of environment-friendly construction technology.
- (v) Adoption of safe construction/repair practices.
- (vi) Top-soil stripping, stacking, preservation and re-use, where new construction would be taken-up under the project.
- (vii) Promote environmental augmentative measures like re-use/recycling of materials; rain water harvesting, electricity saving devices etc.
- (viii) Design of services and buildings/or a part thereof (if necessary) to achieve maximum efficiencies etc.

### B. Integration of Environment Management Aspects in the new curriculum/syllabus being developed by CSTARI

### C. Awareness generation on environmental management aspects through the documentation and disclosure of 'good practices'.

Depending upon the activities proposed in the Institutional Development Plan (IDP), the appropriate measures as suggested in the EMF would apply on a case to case basis. The major EMF recommendations have been categorized as follows:

- (i) Short Term Actions: (a) National level training and capacity building for effective environmental management; (b) Development trade-specific EHS course contents; (c) Implementation arrangements for environment management at the DGE&T and State Directorate level; (d) Planning, implementation and supervision of measures suggested in the EMF and; (e) Reporting and Documentation.
- (ii) Long Terms Actions: (a) Integration of Environment Management Aspects in the new curriculum; (b) Setting-up of Best ITI Fund for the project ITIs ; (c) Initiation of "ITI-Green Newsletter" for experience sharing.

### **Involuntary Resettlement and Related Issues**

The project would not finance any major civil works but anticipates the construction of some extensions or additional facilities at existing institutions on land that is already in their possession. Consequently, no land acquisition or involuntary resettlement is expected.

To ascertain this, a site review will be conducted by the State authority as part of all civil works preparation to ensure that (a) legal title to the site is clearly in the name of the institution or relevant authority; and (b) that the site is free of encumbrances, including squatters and encroachers, and that no one would incur a loss of residence or livelihood as a result of the proposed construction. In the event that any proposed construction site houses or provides livelihood to any person, an alternative site without any encumbrances would be sought and used.

### **Disclosure of Documents**

The EMF report (English version) along with this executive summary (English and Hindi versions) has been uploaded on the DGE&T website ([www.dget.nic.in](http://www.dget.nic.in)). An advertisement was placed in the newspapers (one each in English and Hindi Daily) for public information in this regard. These documents have also been sent to the State Directorates.

## **SECTION IV - EQUITY ASSURANCE PLAN**

A study of the status of disadvantaged groups in the ITI system was undertaken in 2006. As a consequence of this study an Equity Assurance Plan (EAP) was developed. The full details of the study are available on the Project Website. The table on the following page is the EAP.

Responsibility	Action to be Taken	Timing	Monitoring Indicators
<b><i>PLAN ACTION #1: Timely disbursement of stipends for disadvantaged groups at ITI s</i></b>			
MoLE and project-related Departments at state-level	Issue instructions to State Government Departments that disburse stipends, and get their agreement (in the MOUs with states) to timely and full disbursement of stipends	Prior to Project Effectiveness	Instruction Letters and signed MOUs including this agreement
<i>SPIU</i> : to ensure timely disbursement by state-level departments providing stipends <i>NPIU</i> : to facilitate and oversee	Stipends to be disbursed on time by state-level departments Status and actions to be reported in six-monthly report from States to DGE&T	Within 6 months of Project Effectiveness and sustained thereafter	Percentage of eligible trainees who have received full stipends up-to-date
<b><i>PLAN ACTION #2: Cost burden on disadvantaged students to be reduced</i></b>			
<i>SPIUs and NPIU</i>	Explore possibility of enhancing stipends to SC/ST/BPL students at state level	Within 6 months of Project Effectiveness	Discuss issue and follow-up action plan at first progress review mission by Bank; thereafter, implementation of agreed actions
<i>ITI s and SPIUs</i> <i>NPIU</i> : to facilitate and oversee	Cost burden on SC/ST/BPL students reduced	Within 18 months of Project Effectiveness and sustained thereafter	Agreed actions to reduce cost burden taken



Responsibility	Action to be Taken	Timing	Monitoring Indicators
<b><i>PLAN ACTION #3: Intake of trainers from disadvantaged groups to be increased</i></b>			
<i>SPIUs</i> <i>NPIU</i> : to oversee	State governments to ensure maximum filling of instructor posts, including reserved posts  Take steps in line with state policies to increase the intake from disadvantaged groups, including pro-active steps to encourage qualified SC/ST candidates to apply for posts	Within 12 months of Project Effectiveness and sustained thereafter  Continuous	Data from MIS on instructors: i.e., percentage of all, general, and disadvantaged group posts filled
<b><i>PLAN ACTION #4: Career guidance provided to all students (especially disadvantaged groups and women)</i></b>			
<i>ITIs and SPIUs</i> through Institutional Development Plans (IDPs)	Mandatory for all participating ITIs to have Training, Career and Placement Officers (TCPOs). Develop Work Plans for TCPOs covering actions at recruitment and induction, and continuous efforts with needy students.	Preparation of IDPs to begin prior to Project Effectiveness	TCPOs in place and Work Plans prepared Percentage of students benefiting, esp. of SC/ST and women students
<b><i>PLAN ACTION #5: Increased enrolment of women in non-traditional trades and increase in trades preferred by women in all ITI s</i></b>			
<i>SPIUs and ITIs</i> through Institutional Development Plans	All participating states to help ITI s develop plans to increase women's enrolment in non-traditional trades (as well as in trades preferred by women)	Preparation of IDPs to begin prior to Project Effectiveness	Percentages of women students in non-traditional trades (To be monitored trade-wise through MIS)
<i>SPIUs</i> through applications for funds from Innovation Fund (IF)	Pilot programs to expand non-traditional courses for women financed by Innovation Fund	Applications for IF will begin in the first year	Approved pilot programs financed by IF

Responsibility	Action to be Taken	Timing	Monitoring Indicators
<b><i>PLAN ACTION #6: Self employment courses in ITI s strengthened (for all students)</i></b>			
<i>ITI s and SPIUs</i> <i>NPIU: to oversee</i>	Review curricula including courses on self-employment; and develop appropriate curricular materials to strengthen self-employment courses	Complete development of strengthened self-employment curricula within 2 years of Project Effectiveness	State reviews of curricula completed  Curricula for self-employment courses strengthened
<i>ITI s</i>	Strengthened self employment courses and other promotional activities introduced in ITIs	Begin within 2 years of Project Effectiveness	Number of ITI s introducing strengthened self-employment courses/promotional actions; percentage of trainees completing these courses
<b><i>PLAN ACTION #7: Bridge Courses and Remedial Teaching provided to weak students</i></b>			
<i>SPIUs</i> <i>NPIU: to oversee</i>	Review of entry level training for ITI instructors to cover ways to provide remedial teaching	Within 2 years of Project Effectiveness	Completion of review and recommendations for remedial teaching Number of instructors receiving training in remedial teaching
<i>ITI s through IDPs</i> <i>SPIUs and NPIU: to oversee</i>	ITI s to provide bridge courses and remedial teaching for weak students	Within 2 years of Effectiveness and sustained thereafter	Number of ITIs providing bridge courses and remedial teaching Percentage of trainees receiving bridge courses and remedial teaching

## **ANNEXES**



**Annex 1. Proforma IDP**

**VOCATIONAL TRAINING IMPROVEMENT  
PROGRAM  
INSTITUTION DEVELOPMENT PLAN**

This form is to be completed by any Industrial Training Institute seeking funds under the Vocational Training Improvement Program.

Name of Institution:

Address of Institution:

Name of Principal:

Contact Details: Phone:

Fax:

Email

Year of Establishment

Is the IMC constituted

Yes / No

Building

Owned / Rented

**Date:**

## SECTION 1: INSTITUTIONAL INFORMATION

### Institute Management Committee (IMC)

*Name of member*

*Affiliation of member*

Chairman of the IMC

Members of IMC

### Support of Local Industry

Please attach a letter from the IMC Chairperson indicating the managerial and technical support and the resources that are available to your institution from local industry and indicating why the IMC chose particular trades to focus on for upgradation.

Year of constitution of the IMC:

Total Trainees as on Date

Total Number	Males	Females	Scheduled Caste		Scheduled Tribe		OBC	
			Males	Females	Males	Females	Males	Females

Budget for Recurrent Cost in 2007-08 ..... Rs

Trades Taught in Institution:

<i>Name of Trade</i>	<u><i>Student Numbers</i></u>		
	<i>First Year</i>	<i>Second Year</i>	<i>Third Year</i>

## SECTION 2: FACTORS AFFECTING THE PERFORMANCE OF THE INSTITUTION

*(a) What developments or changes would you like to introduce for better management of your institution?*

*(b) What sort of training does your teaching staff require? What sort of training does your non-teaching staff require?*

*(c) What teaching facilities and learning resources does your institution require?*



*(d) Could you improve the number of female students in your courses? How would this be done?*

*(e) Could you improve the number of students from disadvantaged backgrounds in your courses? How would this be done?*

*(f) How could you improve your linkages with the local labour market? Do you need to improve your linkages with labour markets outside your locality and if so how could you go about it?*

### SECTION 3: SHORT AND MEDIUM-TERM GOALS OF THE INSTITUTION

*(a) How do you want to use the Project to introduce better management of your institution?*

*(b) How do you want to use the Project to provide training to your teaching staff and to your non-teaching staff?*

*(c) How do you want to use the Project to improve your teaching facilities and learning resources?*

*(d) How do you want to use the Project to increase the number of female trainees in your courses?*

*(e) How do you want to use the Project to increase the number of trainees from disadvantaged background in your courses?*

*(f) How do you want to use the Project to improve your linkages with the local or with external labour market?*

## SECTION 4: ACTION PLAN

Do you intend to establish a Centre of Excellence?    **Yes... No**

*If Yes:*

Which trade sector do you prefer? .....

Why did you choose this sector?

What second preference would you have? .....

*If No:*

Which trades would you prefer to upgrade?

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....

Why did you choose these trades?

Do you have other preferences?

What resources do you need to upgrade your institution as a COE or to upgrade selected trades?

*Civil works* – describe and justify any civil works you want to undertake

*Goods*– describe and justify all goods you want to procure

(a) Equipment

(b) Furniture

(c) Books, Learning Resources and Software

*Training of Staff* – describe and justify the training needed by your staff. (Please fill-up the ***Annexure to IDP***)

(a) Training of Teaching Staff

(b) Training of Non-Teaching Staff

*Incremental Operating Costs*

(a) Additional Staff - describe and justify any additional staff you need

(b) Consumables and Training Materials – describe and justify the consumables and any maintenance you need

## Section 5: Resource Requirements

What finances do you need to procure the resources you described in the previous section?

**Quote your figures in lakhs of rupees and break down the financial requirements year by year.**

Year 1	Year 2	Year 3	Year 4	Year 5
<i>Civil Works</i>				
<i>Goods</i>				
Equipment				
Furniture				
Books, Learning Resources and Software				
<i>Training of Non-teaching Staff Training</i>				
<i>Incremental Operating Costs</i>				
Additional Staff				
Consumables, Maintenance and Training Materials				
Travel expenses				

**Note: The finances for training teaching staff will be included in a central fund**

## SECTION 6: ACHIEVING SUSTAINABILITY

Will industry help to sustain gains made under the Project?

Continuing Support from Industry
<i>a) Will industry support (involvement of industry representatives, physical resources, financial assistance or other support) continue and what form is this likely to take?</i>

<i>b) Any other outstanding achievements of the Institute??</i>
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**ITI Principal**  
Signature

**IMC Chairman**  
Signature



**Details of the Instructional Staff in the Institute**

Sl. No .	Name of the Instructional Staff	Educational /Technical Qualification	Email ID	Mobile No./Phone No.	Instructor in which Area and how long	Is the Instructor Trained in Principles of Teaching-POT (Yes/No)	Is the Instructor Trained in Trade area(s) (Yes/No)
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>		<i>e</i>	<i>f</i>	<i>g</i>
1							
2							
3							
4							
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*Additional sheets may be added, if required*



## Annex 2. Tentative Allocation of Project ITIs among States and UTs

States	Number of Institutions	Upgrades Domestic	Upgrades through Project( tentative allocation)		
			Total	Retroactive	Competitive
10 or more ITIs involved					
Andhra Pradesh	92	5	19	5	14
Chhattisgarh	80	4	18	4	14
Gujarat	135	8	29	15	14
Haryana	81	5	17	5	12
Himachal Pradesh	55	3	12	1	11
Jammu & Kashmir	38	-	10	2	8
Karnataka	131	6	30	6	24
Madhya Pradesh	136	8	29	7	22
Maharashtra	347	12	75	15	60
Punjab	110	8	22	2	20
Rajasthan	91	5	20	5	15
Tamil Nadu	71	5	14	5	9
Uttar Pradesh	185	10	40	7	33
Uttaranchal	57	3	12	1	11
West Bengal	49	3	10	3	7
Total for group	1,658	85	357	83	274
3 to 9 ITIs involved					
Assam	24	-	7	4	3
Bihar	29	2	6	2	4
Delhi	14	1	3	1	2
Jharkhand	14	1	3	1	2
Kerala	32	5	4	3	1
Orissa	27	2	5	4	1
Total for group	140	11	28	15	13
1 or 2 ITIs involved					
Andaman & Nicobar	1	-	1		1
Arunachal Pradesh	2	-	1		1
D & N Haveli	1	-	1		1
Daman & Diu	1	-	1		1
Goa	11	2	2	1	1
Lakshadweep	1	-	1		1
Manipur	7	-	2		2
Meghalaya	5	-	1		1
Mizoram	1	-	1		1
Nagaland	3	-	1		1
Pondicherry	7	1	1		1
Sikkim	1	-	1	1	0
Tripura	4	-	1		1
Total for group	45	3	15	2	13
Total All India	1,845	100	400	100	300