



**Vocational Training
Improvement Project**



**Nalin Jena
World Bank**

Key Issues in VET System

- The VET system is not geared to the needs of the labor market: employment outcomes of graduates are poor
- Management is fragmented (between ministries, state/center), with insufficient links to private sector
- Lack of data for informed policy decisions
- Need to increase administrative and financial autonomy for training institutions
- Private training providers face regulatory barriers to entry
- Financing is not linked to performance, but to administrative/bureaucratic procedures and norms
- Weak industry-institute linkages

The Projects Goals?

1. *Improve internal efficiency:* Proportion of CTS students who commence training pass out with NCVT certification
2. *Improve external efficiency:* Proportion of CTS graduates who find employment within 12 months of graduation
3. *Increase in wages:* Higher wages paid to employed graduates 12 months after graduation

Project Cost

- Total Project costs about USD 360 m
- Cost sharing by Gol and State Govt: 75:25
- 400 ITIs to be financed
- About 300 CoEs and 100 upgradation

Component 1

*Improving the Quality of
Vocational Training*

Subcomponents

- 1.1 Improving Quality of Training In ITIs
 - CoEs and upgrading related trades – 400 ITIs
 - Joint management through IMCs
- 1.2 Strengthening Instructor Training
 - Strengthening and managing the Instructor Training Network
- 1.3 Incentive Fund
 - Incentives for good performance

1.1 Strengthening ITIs

- **Centres of Excellence**
 - One industry sector only – normally Rs. 2 crore
 - Related trades – normally Rs. 1.5 crore
- **Upgraded ITIs**
 - 6 trades in demand – normally 2 crore
 - Some flexibility for more than 6 trades

1.2 Instructor Training

- Entry-level training
 - 5 ATIs, CTI, NVTI and 10 Instructor Training Wings (ITWs)
 - States to submit proposal for ITWs
- Training CoE Instructors
 - AHI, 10 ATIs
- Refresher training
 - Spare capacity in CoE facilities (in about 20 CoEs)

States will be funded to train all instructors

1.3 Incentive Fund

- 20 awards awarded in 2 lots
 - Maximum of \$2 million (Apx. Rs.8 crore)
 - State may receive reward either or both times
- Criteria
 - Expenditure of allocation
 - Vacancies filled
 - KPI on successful completion rate
 - Actions of TCPO
 - Instructors receiving training

Component 2

*Promoting Systemic
Reform and Innovation*

Subcomponents

- 2.1 Promoting Reforms
 - Policy studies and
 - Short term training (fellowships) and study tours
- 2.2 Innovations Fund
 - ITC, Industry, Employer Associations can tap in
- 2.3 Strengthening Curriculum Standards
 - AHI; CSTARI; NIMI

2.1 Promoting Reform

- **Policy Development Studies**
 - National Vocational Qualifications Framework
 - Developing a Framework for Private Providers
 - Developing Replicable Models for Training for the Informal Sector
 - Feasibility of Establishing a Training Fund
- **Short-term training and study tours**
 - Short-term training
 - Study tours

2.2 Innovations Fund

- **Priority activities**

- Developing private-public partnerships
- Using Edusat to deliver training
- Developing state-wide training, career and placement offices

- **Other activities**

- From States, ITCs, industry
- Preference to proposals with industry partnerships

Component 3

*Project Management and
Monitoring & Evaluation*

Subcomponents

- 3.1 Project Management
 - National structures and
 - State-level structures
- 3.2 Monitoring and Evaluation
 - Management Information System
 - Monitoring implementation and outputs
 - Evaluating Outcomes

3.1 Project Management

- **National Structure**
 - National Steering Committee (NSC)
 - National Project implementation Unit (NPIU)
- **State Structures**
 - State Steering Committees (SSC)
 - State Project implementation Unit (SPIU)

State Steering Committee

- Guiding the SPIU
- Assessing and recommending IDPs
- Preparing applications to the Incentive and Innovations Funds
- Reviewing and approving training plans for the SPIU and institutions

3.2 Monitoring and Evaluation

- **Management Information System**

All ITIs to get IT hardware, software & training

- **Monitoring Implementation and Outputs**

- **Evaluating Outcomes**

What is expected of Industry/Employer Associations?

- *Make IMCs effective-joint management*
Bring in Institutional Development perspective to ITI
Exercise delegation of power to make ITI efficient
Bring in accountability and results orientation-
change of culture
Bring in industry experience
Establish wider industry-institute interaction
Help establish Placement Cell in ITI
Make students' and instructors training more relevant

What incentives Industry gets?

- Appropriate skilled manpower-reduction in retraining costs!
- Multi-skilled workers equipped with soft skills
- Short term customized training for its own worker
- Short-term refresher training for its own workers
- Use institutions' equipments at spare time at a reduced costs- helps ITI generate its resources



Thank you