

**Vocational Training Improvement Project (Cr. 4319-IN)**  
**Fifth Joint Review & Implementation Support Mission**  
**(February-March, 2012)**  
**Aide-Memoire**

**I. Introduction**

1. A World Bank team<sup>1</sup> jointly with the Directorate General of Employment & Training (DGE&T), Ministry of Labor and Employment (MoLE) team undertook the Fifth Joint Review and Implementation Support Mission (JRISM) during February-March, 2012. The Mission was concluded with the wrap-up meeting held on April 23, 2012 chaired by the Director General and the National Project Director. National Project Coordinator, other officials from the Ministry of Labor and Employment, senior officials of the States and Union Territories (UTs), and Centrally Funded Institutions (CFIs), and Industry Association representatives attended the wrap up meeting.
2. Review and implementation progress support of States/UTs were carried out in small groups of states. Please see Annex 1 for the detailed schedule of reviews. Field visits were made to some States for comprehensive institutional level review and field supervision of Industrial Training Institutes (ITIs). The basis of review of implementation progress and achievements have been the State Report Cards prepared jointly by the NPIU and the World Bank task team, three mid-term studies, progress report presented by each state, and visit to institutions.<sup>2</sup> The World Bank task team and the NPIU collect primary data from 400 ITIs every six month before the bi-annual review on a number of performance indicators through standardized progress report formats. The data is analyzed and compiled in a national level and state-wise Performance Report Cards. The complete volume of MTR Performance Report Cards is posted on the DGET website: <http://dget.gov.in>.
3. The key objectives of the Mission were to review (a) progress towards Project Development Objectives, (b) progress made on actions and recommendations agreed upon at the Mid-term Review (MTR), (c) implementation progress on all components and sub-components of the project, (d) implementation of fiduciary and safeguard arrangements, (e) sharing of MTR studies' findings, and (f) the identification of systemic and implementation issues, and to agree on time bound actions for their resolution.
4. The World Bank task team deeply appreciates the cooperation, guidance, and able leadership provided by Mr. Sharda Prasad, Additional Secretary/Director General and the National Project Director, MoLE, who chaired some of the state review meetings, and review meeting with the CFIs. The Mission deeply appreciates Mr. R. P. Dhingra, Director In-charge (Projects) and National Project Coordinator, and other National Project Implementation Unit (NPIU) officers for their efforts in organizing, facilitating,

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and participating in the review mission. The mission thanks the State of Maharashtra, Gujarat, Chhattisgarh, and Meghalaya for hosting the review meetings and facilitating ITI visits. The mission also thanks all the State Secretaries/Commissioners/ Directors/Joint Directors and other officials responsible for vocational training, Principals, instructors, students of ITIs, Institution Management Committee (IMC) chairpersons and members, and industry representatives, and the officials from the CFIs for making this mission productive.

## II. Key Project Data

			<i>Last June 2011</i>	<i>Now April 2012</i>
Board Approval	June 5, 2007	Achievement of PDO	MS	MS
Effectiveness Date	December 17, 2007	Implementation progress	MS	MS
Original Closing Date	December 31, 2012	Problem Flags -Project Management -Procurement -Financial Management	MU MU MU	MS MS MS
Revised Closing Date	Not Applicable			
MTR Date	June 2011			
Revised Credit Amount				
Project Age	4.3 years			
% Disbursed	52% (as of April 12, 2011)			

Ratings: **HS**-Highly Satisfactory; **S**-Satisfactory; **MS**- Moderately Satisfactory, **MU**- Moderately Unsatisfactory, **U**-Unsatisfactory; **HU**-Highly Unsatisfactory; **NA**-Not Applicable; **NR**-Not Rated

## III. Progress on key outcome indicators

Indicators	Baseline	Current value	End target
Percent of pass-outs from project ITIs that exit from the CTS system with a NCVT certificate, as compared to the baseline-disaggregated by gender.	All: 61.0% Male: 61.5% Female: 74.2%	All: BBBT* – 57% AM – 73% Male: BBBT* – 56% AM – 72% Female: BBBT* – 65% AM – 76%	All: 73% Male: 73% Female: 89%
Percent of project ITI pass-outs who find employment within one year of finishing training, as compared to the baseline	All: 32.0% Male: 33.4% Female: 18.7%	All: 60%# Male: 64% Female: 38%	All: 50% Male: 52% Female: 48%
Real monthly earnings (INR) of employed pass-outs from project ITIs measured one year after completing training, as compared to the baseline.	All: INR 2421	All**: INR 5330 Male**: INR 5386 Female**: INR 4360	All: INR 3026

\*Trainees can re-take BBBT tests up to 7 times. This pass-rate refers to examination results after their first attempt. #Provisional data from the tracer study conducted in 2011-12. \*\*Nominal

The complete results framework with status of achievement for each indicator is provided in Annex 2.

#### **IV. Outcome of the Wrap up meeting**

5. Following are some of the salient points which emerged at the wrap up meeting:  
The states and Directorate General of Employment and Training (DGE&T) applauded the efforts made by the NPIU and the Bank team in supporting states in implementation of VTIP. In last four years of implementation period, the achievements of the project have been significant. However, there remain incomplete tasks and unfinished reform agenda, as described in the section below. These incomplete tasks and unfinished reform agenda if not accomplished before the project closing would threaten efficacy, efficiency and sustainability of COEs, in which the Government of India has made huge investment in the last six to seven years. Keeping this in mind, the Director General and Additional Secretary urged the states to:
  - a. Complete balance works by June 30, 2012
  - b. Apply for NCVT affiliation by May 30, 2012
  - c. Ensure optimal funds utilization. If reallocation of funds across expenditure categories (provided by DGE&T) is required, the states need to revise IDPs with justification and apply to DGE&T for necessary approval by May 30, 2012.
  - d. Prepare detailed action plan for overall implementation, particularly focusing on incomplete tasks and unfinished agenda.
  - e. Recruit regular instructors for COE. This may require the intervention of the Union Labor Minister with the respective Chief Minister urging them to issue necessary instructions for filling up of instructors position on a regular basis.
  - f. Focus on improving quality of training by training the instructors and forging stronger links with industry.
  - g. Submit audit disallowances recertification at the earliest, or else the states have to bear the disallowed amount.
6. Several states suggested for an extension of the project period. Emphasizing the need for creating facilities for instructors training at state level, many states wanted that ITOTs should be established under VTIP. Several states pointed out that although they had submitted proposals for innovations fund, the NPIU is yet to take decision on any of them. The states also requested DGE&T to grant innovation awards. However, the meeting concluded that within the remaining time period, implementation of any of these activities is not feasible. Therefore, it was agreed that the joint team of the DGE&T and Bank will discuss these suggestions and prepare feasibility plan and discuss with the Director General/National Project Director.

#### **V. The Way forward**

7. The project has eight more months of implementation remaining before it closes in December 2012. Based on the progress so far, the mission is of the view that a no-cost extension of the project may be helpful to address the remaining challenges and complete incomplete tasks, as stated below, which will help consolidate the gains of the project and contribute to sustainability.
8. *Funds utilization:* Out of the total SDR 185 m (USD 285 m), SDR 97 m (USD 149 m) which is 52% of the IDA allocation has been disbursed as of April 12, 2012. The

disbursement excludes the cumulative audit disallowances amounting to USD 28 m. Additionally, USD 35 m has been withheld for Maharashtra because of deviation from agreed financial management arrangements. However, the disbursement figure includes USD 40 m advance to the Special Account. Therefore, approximately USD 136 million remaining IDA funds need to be utilized by December 31, 2012. This seems very unlikely. The key factors responsible for slow utilization have been: almost half of the project ITIs have got only three years of implementation as the selection of ITIs was done over a period of three years; weak implementation capacity at the national and state levels; initial delays in release of funds by the state governments to the line departments; slow progress of civil works, which also impacted procurement of equipments; and delay in creation of new positions and recruitment of instructors.

9. *Remaining challenges and way forward:* As a result of the above delays, several key project activities remain incomplete. These are: (i) although Centre of Excellence (COEs) have gained ground, they are yet to be fully functional (about 90% COEs will not have National Council of Vocational Training (NCVT) affiliation by the closing of the project), which will result in de-recognition of COE course by NCVT and this will seriously affect sustainability of the program; (ii) the Management Information System (MIS) will not be fully functional; and (iii) as most Advance Module (AM) instructors have been appointed on contractual basis, the instructors may not be retained beyond the project period, and they may not be deputed by the states for training, which is critical for quality of COE training. Based on the findings from various reviews and implementation support missions and the recommendations of the Management Review and Tracer Study, there are reasons for this Mission to believe that if the project is closed without fully achieving the incomplete tasks as stated above, the COE model, which has great potential, will fail. Therefore, a no-cost extension may prove to be useful in enhancing the project benefit in the vocational training sector, which is a top priority of the national and state governments. However, an important consideration of whether to grant an extension would be, if the states prepare realistic action plans, which can be monitored, justifying that extension will help consolidate the gains of the project by completing the incomplete tasks and unfinished reform agenda leading to better quality and sustainability of the COEs and other reforms.
10. If an extension is provided, the NPIU/SPIUs needs to focus on consolidating the gains of the project, and make concerted efforts to improve the quality of vocational training. The focus during the extended period should be the following: (i) ensure that COEs, including Specialized Modules are fully established, (ii) all COEs obtain NCVT affiliation, (iii) regular AM instructors are recruited and all of them are trained, (iv) other CTS instructors receive training, (v) establishment of refresher training facilities for AM instructors in 20 COEs, (vi) strengthening of Training, Counseling and Placement Cells (TCPC) in ITIs, (vii) strengthening of industry-institute linkages, (viii) capacity building of IMCs, (ix) training of ITI principals on institution development and leadership, (x) strengthening of AHI, NIMI and CSTARI, (xi) capacity building of the MOLE, state director and centrally-funded institutions staff through training and structured exposure visits and study tours, (xii) documenting and sharing of good practices across states, (xiii) conducting structured exposure visits and study tours by NPIU, SPIU and ITI staff, and (xiv) piloting use of distance mode and ICT in supplementing training of trainees and trainers.
11. Under the project, it was proposed to establish 10 Instructor Training Wings (ITWs) in 10 project ITIs in 10 states. However, the Ministry has decided to establish Institutes of

Training of Trainers (ITOT), which by design are different from ITWs. It was agreed at a joint meeting of states, the DGE&T and World Bank team held in February 2012 that ITWs will be replaced by ITOTs. The states were requested to submit revised Institutional Development Plans (IDPs) for ITOT with indicative resource requirement. The total resource requirement for establishing 10 ITOTs would be approximately USD 50 million. Although, resources within the project would be available to establish a few ITOTs, but it will take about two to three years to do so. However, if an extension is considered, some ITOT could be established on a pilot basis. The Ministry and the Bank could explore the possibilities of a next phase of MOLE and the Bank partnership under which establishment of ITOTs as a part of strengthening capacity building of master trainers and trainers could be undertaken.

12. The above challenges could be met and the incomplete tasks could be completed if the existing capacity of the NPIU and SPIU is enhanced with more and trained staff. The Management Review conducted by a third party under VTIP clearly shows that capacity of the project implementation unit has impacted performance. Hence, the Mission recommends that both the NPIU and SPIUs should supplement their capacity either appointing staff through deputation and/or hiring consultants and ensure continuation of the current team.

## **VI. Mid-term Studies: Key Findings and Recommendations**

13. Three studies were commissioned by NPIU as part of the mid-term evaluation of the project. These included (a) follow-up tracer study of project and non-project ITI pass-outs, (b) management review of the project, and (c) Environment Management Framework (EMF) audit, Asset audit, and Civil works quality review. Key findings and recommendations from the three studies are described below. The reports are also available on <http://dget.gov.in>.

- a. Tracer Study: The tracer study was undertaken with the main objective of measuring labor market outcomes of ITI pass-outs after at least 12 months of having completed their training. This is a follow-up to the base-line study conducted in the year 2006. Key findings of the study are the following:
  - i. The average employment rate of VTIP COEs pass-outs is 60% (male: 64%; female: 38%). Employed pass-outs earn an average monthly salary of Rs. 5330 (male: Rs. 5386; female: Rs. 4360). Six percent of employed trainees are self-employed. Ninety two percent of those who find salary/wage based employment (excluding apprenticeships) work in the private sector. Seventy one percent of pass-outs who are employed find a job within 12 months (44% within 6 months), and 98% within 18 months of completing training.
  - ii. Trainees are generally satisfied with the quality of training in COEs but dissatisfied with the limited extent to which practical training is provided due to a number of reasons including power-cuts, and lack of availability of proper tools and equipment and absence of Specialized Module.
  - iii. COEs have better outreach to the private sector. However, they are yet to reach out to the public sector companies for recruitment of their trainees. While, project ITIs have established Training, Counseling and Placement

cells (TCPC), these have yet to become functional. The study recommends strengthening of TCPCs, which will establish better linkages with jobs.

- b. Management Review: The main objective of the management review was to assess the effectiveness, efficiency and limitations of the structures established at the national, state and institute levels for project management, identify good practices and make recommendations for improving project management. Key findings and recommendations of the review include the following:

- i. The National Steering Committee (NSC), State Steering Committees (SSC), National Project Implementation Unit (NPIU) and State Project Implementation Units (SPIU) to guide project implementation at the national and state levels respectively have been constituted as per the guidelines provided in the Project Implementation Plan (PIP). The NSC and SSCs has been effective and timely in reviewing and guiding project implementation. The presence of members from private industry in these committees has also helped in raising awareness and acceptance of COEs. The NPIU has institutionalized key project drivers and standardized implementation processes across states including monitoring and reporting protocols but is hampered in its functioning due to gross under-staffing. This has led to slow implementation of a number of project activities such as EMF, policy studies, incentives and innovation funds. Staffing of SPIUs and retention of key project staff varies across states and is positively correlated with state level project performance.
- ii. All project ITIs have formed Institutional Management Committees (IMCs) as required with appropriate private sector participation. IMCs have largely been effective except in those locations where industry has a small presence and/or the SPIU has not been able to engage with the IMCs. The functioning of IMCs has also been constrained by lack of guidance and clarity on their roles and responsibilities. Financial and administrative powers have been delegated to Principals by almost all states as per the Memorandum of Understanding (MOU) signed between MOLE and the state government. Principals have used these powers in most cases and this has helped improve implementation of the project activities, especially with respect to procurement of equipments, training materials and hiring of contract instructors. States have made considerable progress in the hiring, remuneration and training of contract instructors.
- iii. The COE model has largely succeeded in providing good quality training demanded by local industry. The model can be further strengthened through the following: greater involvement of state leadership, capacity development of staff in the NPIU, SPIUs and ITIs, providing greater clarity on the roles and responsibilities of the IMCs and facilitating their functioning, finding alternatives to lack of industry in certain locations, and regular monitoring on all project input *and* outcome indicators. The study recommends that a time extension to the project would help consolidate the gains of the project and ensure sustainability of COE and other reforms

- c. EMF, Asset audit and Civil Works Quality review, Environment Management Framework (EMF) and Asset Audit: The consultant is yet to submit the final report. Key findings and the recommendations of the draft report are as follows:

- i. Civil works: Quality of civil works was found to be satisfactory in about 78% of the sample ITIs, whereas in the rest 22% the quality was not satisfactory. Working drawings were not found in most ITIs, and the role of ITIs in supervision and monitoring of civil works was found minimal.
- ii. The EMF review looked at aspects like health, safety provisions, water supply, drainage, building maintenance, power supply, waste water disposal, solid waste disposal, overall cleanliness, provision of barrier free access for physically challenged, storage, handling of toxic & hazardous material, spill management, first aid for emergency response arrangement, solar energy, rain water harvesting and plantation. Implementation of EMF was found to be generally satisfactory.
- iii. The asset audit looked at procurement of equipments, entry in stock register, their installation, and training of instructors on the equipments by the vendors. The study finds that overall procurement for BBBT as well as AM is to the tune of about 70%. The equipments were found to be working properly in most ITIs. IMCs have played an important role in approving the list of equipments for procurement as per the NCVT guidelines. In 68% of the sample ITIs, utilization of the equipments was found satisfactory. However, in the rest equipments have not been properly installed due to space constraints. It was found that equipments were duly recorded in the stock register.

## VII. Key Achievements and remaining Challenges

14. *Project beneficiaries:* The project has supported 400 Industrial Training Institutes (ITI), out of which 311 are Center of Excellence in 21 industry sectors. Eleven Advanced Training Institutes (ATI) have been upgraded and enabled to offer Advance Module (AM) instructors training, refresher training and Craftsmen basic training. The Central Staff Training and Research Institute (CSTARI), National Instructional Media Institute (NIMI), and Apex Hi-Tech Institute have been significantly upgraded enhancing capacity for curricula development/revision and development of text books, and teaching and training aids. In the last four years, nearly 95,000 trainees have enrolled in COE programs. Under the project, nearly 12,500 instructors have also been trained, and in general the project has strengthened the overall craftsman training system.
15. *Center of Excellence:* One of the most important activities that the project supported was the establishment of Center of Excellence vocational training courses, a multi skilling multi entry-exit and institute-cum-industry based training. The success of the project depends largely on the success of COE model<sup>3</sup>, which is a new model of vocational

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<sup>3</sup> It is a paradigm shift from the traditional mono-trade single entry and exit vocational training program to multi-skilling multi- entry and exist program. It is also a shift from an entirely institution based training to a blend of institution-cum-enterprise based training. While the traditional craftsman training scheme provides training in one skill area, COE is designed to provide a set of skills relevant to one industry sector. Currently, the DGE&T has identified 21 industry sectors for which COE curricula have been developed. The key to the success of COE are: strong industry involvement and

training program in the Craftsman Training Scheme (CTS) in India. The results so far have been positive and encouraging despite many bottlenecks that affected the pace of implementation. This is a significant achievement as establishment of COEs not only required establishment of fresh infrastructure, recruitment and training of new instructors, development of new text books, and teaching and training aids, establishment of instructors training facilities in the existing Advanced Training Institutes (ATIs), orienting ATIs towards training of Advance Module (AM) instructors, developing curricula for AM instructors training, making potential students aware about COE, identifying and mobilizing industries for Specialized Module (SM) and issuing joint certification to the trainees, etc., but also change in mind sets of the institutions, industries/employers, and personnel within the Craftsmen Training system. During all the joint review and implementation missions, both industries/employers as well as institutions have clearly conveyed the relevance of COE's multi-skilling courses to industry needs.

16. Almost all states have established BBBT workshops with the required number of instructors in place. Barring a few, most states, having completed civil works now, have established AM workshops with more than 75 percent equipment in place. Most states have reported good demand for COE courses among potential ITI entrants as reflected in the increased number of applicants, trainees getting jobs after completion of BBBT, and lateral entry to AM in some states, high pass percentage in AM, and better placement of AM trainees with higher wages, as found by the mid-term tracer study and also a study conducted by the Quality Council of India (2010). The demand for COE is likely to increase with grant of NCVT affiliation, more sensitization of employers including the public enterprises for acceptance of COE certificates, and better training.
17. *Emerging challenges of COE:* In the course of implementation of a new training paradigm and introduction of reforms, lessons and challenges are bound to emerge. The lessons and challenges that have emerged with respect to COEs are:
  - a. Instructors: While almost all states have created at least three AM instructors' positions, the number of sanctioned positions is less than the required strength of six per COE. Additionally, sixty-seven percent of instructors are appointed on contractual basis mostly co-terminus with project period.
  - b. Affiliation to National Council of Vocational Training (NCVT): Currently, only 60% BBBT and 43% AM courses are either affiliated or affiliation has been applied for from NVT. It is less likely that all states could apply for and obtain affiliation of COEs by June 30, 2012, the deadline set by NCVT for the purpose. Hence, the mission recommends one more year extension to the relaxation provided by the NCVT for the purpose.
  - c. Curricula, examination, and certification: While the curricula, particularly BBBT curricula, are found to be appropriate and adequate, sequencing of curricula in some sectors is a felt need. The examination, skills testing and certification system need to be modified as per the recommendations of the COE expert group shared during the Mid-Term Review.

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acceptance of COE trainees by the employers; trained instructors; fully equipped Broad Based Basic Training (BBBT) and Advanced Module (AM) workshops, and good provision of Specialized Module (SM) training in industry.



- d. Specialized Module (SM): Industry participation in Institute Management Committee (IMC) has been reported to be reasonably good, but their participation in operationalizing SM, which is a six-month industry based training, has been low.
18. *Capacity building of ITI Principals:* In the fast changing technology and labor market, the role of ITI principal becomes very important in enhancing institutional relevance and efficiency and the same applies to COE, too. The MoLE had taken an exemplary step of hiring Indian Institute of Management (IIM) - Ahmedabad to develop and offer a training program for ITI principals on leadership and institutional development. The training course was developed after an in-depth training need analysis of ITI principals. After the pilot training conducted in 2010, the training could not be continued further because of issues raised by the Internal Finance Division of the MoLE. The mission appreciates DGE&T's efforts in resuming the training now and recommends that all ITI principals be trained under the project by roping in more training institutions. The remaining challenges are:
- Completing training of all 400 project ITIs principals before the closing date of the project.
  - Carrying out an impact evaluation of the training after about 200 principals have been trained.
  - Integrating the training in the CTS system as a regular training course for serving and potential ITI principals. The mission recommends training all ITI principals under the project and developing capacity of other institutions to impart similar training.
19. *Institutional Management Committee (IMC):* Data from the project ITIs and several field visits made by the NPIU and Bank teams consistently report that all project ITIs have constituted IMCs with required private sector representation. In many states, IMCs are playing an active role in equipment procurement, industry placement of students for training, visit of industry expert to ITIs as guest faculty, and in the employment of students. Almost all the project states have delegated academic, financial and administrative powers to the institution heads and IMCs who are actively exercising some of these powers. However, the remaining challenge to do joint management of ITIs through IMCs is:
- Empowering and strengthening the IMCs further. This can be done through systematic orientation programs for IMCs, intra and inter-state sharing of good practices, periodic meetings between senior officials with IMC members, establishing a mechanism to provide feedback to IMCs on actions taken on their suggestions and concerns would further enhance involvement of IMC.
20. *Instructors Training Network (ITN):* The project has made good progress on instructors training. Nearly 12,500 instructors have received training with project resources. Most states have started preparing annual training plan for instructors. Apex Hi-Tech Institute (AHI) as a single point institution has been coordinating with the states on instructors training, which the states find convenient. AHI has prepared AM instructors training curricula in 21 sectors. The thrust of the reforms in instructors training has been decentralizing instructors training to States and establishing an instructors training network (ITN) comprising of central institutions, state institutions (ITWs) and private institutions, which was intended to expand the system's instructors training capacity with

enhanced quality. The mission identifies the remaining challenges and recommendations in implementing ITN:

- a. **The first step** is to have the ITN operate more cohesively. The DGE&T needs to be responsible for seeing that this happens. The DGE&T needs to develop a strategy on how to implement ITN and how to make it work.
  - b. **The second step** is to ensure instructors do undertake training when it is offered. There is reluctance on the part of instructors themselves as they receive no incentives – other than personal motivation – to undergo training. There is no recognition of their efforts. These issues need to be further investigated. However, it is not only a matter of training instructors while the project is still in operation but to ensure that the training and development of instructors gets built into the modus operandi of the ITI network in some sustainable way.
  - c. **The third step** is to involve industry in the area of instructor training to improve quality and standard of training.
21. *Training, Counseling and Placement Cell (TCPC):* In order to link the ITIs with labor market and enhance placement of ITI trainees, VTIP proposed and supported establishment of a Training, Counseling and Placement Cell (TCPC) in each project ITI. All states reported to have established TCPC in each ITI and designated a senior instructor as Training, Counseling and Placement Officers. Some states have started developing computerized trainees and employment data base. Increased number of job fairs and industry visits conducted by TCPCs are reported by many states. Nevertheless, a lot needs to be done to make TCPC play an effective role. The key challenges are:
  - a. Capacity building of TCPCs: The states need to make concerted efforts to strengthen TCPCs, which can provide assistance to job-seekers and collect labor market information, organize campus placement, job fair and other events for placement. *The NPIU must provide guidance and support to the states on strengthening TCPCs.*
  - b. The states could hire consultants with appropriate expertise and experience (e.g. an MBA) either for each ITI or for a cluster of ITIs. The honorarium of the consultant will be paid out of the project funds.
  - c. TCPCs need to be well equipped with computers, relevant print and e-materials, e.g. newspapers, brochures and literature of industries, and other books and materials. The project will finance all these expenditure.
22. *Monitoring and Evaluation (M & E):* Monitoring capacity of the NPIU and states has improved substantially under the project, starting from a relatively low base. The capacity of states in M&E was developed through national as well as state level monitoring and evaluation workshops and build a culture of institutional data collection and analysis. A potentially sector wide web-based Management Information System (MIS) has been developed for which the Users Application Test (UAT) has begun and will be completed soon. It is expected that the pilot of this turn-key implementation of MIS will be initiated in May 2012. The NPIU has already released funds to all the states for procurement of computers for MIS for all public ITIs, including non-project ITIs. The key remaining challenges are:
  - a. Training of ITI level data-entry operator, principals and appropriate officials at state level on MIS data entry, data validation, and analysis and use of data. About 4500 people are expected to be trained by the project closing date.

- b. Execution of MIS software at least in 400 project ITIs by December 30, 2012.
- c. Institutionalize annual tracer study in the states.

## VIII.

### Progress made on agreed actions of MTR

Sl. No.	Agreed Actions	Progress	Progress rating
1.	Award the Implementation support agency contract	Negotiation with T1 failed and T2 refused to take up the assignment because of delay in finalization of the contract. Subsequently, the NPIU advertised for appointment of individual consultant. Approval from IFD is awaited.	2
2.	Conduct state/institutional reviews in Rajasthan, J&K, Haryana, Tamil Nadu, Chhatisgarh, U.P. and Jharkhand	State/institutional reviews in Rajasthan, J&K and UP were conducted. Other states were reviewed in Delhi.	5
3.	Workshop on Procurement and Civil works	Workshop was conducted.	5
4.	Review and award innovations grant to the selected proposals.	Review was conducted but no grant has been awarded so far.	2
5.	Sector groups in Automobile, Electrical and Production & Manufacturing sectors will be constituted and their meeting will be convened.	Sector groups in three sectors have been constituted, and meeting of one sector group has been conducted.	3
6.	Mid-term Studies reports	Final report of one and draft reports of two other studies are available.	4
7.	Submit the audit reports for FY 10-11 to the Bank	Audit reports submitted with delays.	3
8.	Submit list of contracts from the sample states for post-procurement review for FY 2011.	List of contracts submitted.	5
9.	Submit clarifications on pending audit observation	States are being reminded constantly by the NPIU and they are making efforts with respective AG.	3
10.	Obtain NCVT affiliation for all COEs	More than 90% COE and other CTS courses are yet to be affiliated	2
11.	Complete all civil works and establish fully functional AM workshops	Most states have completed civil works, and AM workshops in the process of being fully established.	4
12.	Create and fill Advanced Module instructors positions	Most states have not created the required 6 AM instructors positions. Most states have	3

		filled AM instructor positions with contractual non-trained staff.	
13.	Place full time principals (without additional charge) in all project ITIs	The status of full time principal in position has declined from the mid-term.	2
	Ensure 20% of the total untrained CTS instructors be deputed for training in 2009-10.	Instructors' training has improved, but needs further improvement.	3

\*1=No progress; 2=Little progress; 3=Progress but less than satisfactory; 4=good progress; 5=Very good progress

## IX. Implementation Progress and Issues

23. Due to staggered entry into the project, in effect, about 50% of the total project ITIs have got less than three years for project implementation. Current disbursement as of April 12, 2012 is 52% of the total IDA allocation. The project design prescribed a competitive process for selection of ITIs for financing. Out of 400 ITIs financed under the project, 100 were selected in 2006-07, 150 in 2007-08 and the rest 150 in 2008-09. Most of the ITIs selected in 2008-09 got the approval from DGE&T towards the end of FY 2008-09, which means many of them started implementation only in 2009-10. Overall, about 25% of project ITIs started implementation in 2008-09, and another 25% started implementation only in 2009-10.

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

24. *Internal efficiency of COEs:* In most project states (Haryana, Maharashtra, West Bengal, Delhi, Madhya Pradesh, Kerala, Andhra Pradesh, Assam, Rajasthan, Chhatisgarh, Himachal Pradesh and Punjab) admission rate in Broad Based Basic Training (BBBT) is more than 100%; in the remaining states except for Orissa and Goa, admission rate in BBBT is more than 90%. The average pass rate for those who successfully cleared their BBBT exams in their first attempt for 2006-09 was 66% as against the baseline of 61% in 2006-07. In 2009-10, the latest year for which complete pass-rate data is available, BBBT pass-rate has declined to 57%. Whereas, West Bengal, Orissa, Gujarat, Goa, Uttarakhand and Jharkhand reported 80% or higher BBBT pass-rate; Assam, Karnataka, Rajasthan, Madhya Pradesh, Punjab, Haryana, Delhi, Himachal Pradesh, Kerala and Chhatisgarh reported less than 50% BBBT pass-rate. State-wise academic COE performance is provided in Annex 3.
25. *Transition rate from BBBT to Advanced Module training (AM) has continued to increase* in 2009 and 2010 after registering a decline in the two years before that. It increased from 84% in 2008-09 to 95% in 2009-10, and though all ITIs are yet to report on this information for 2010-11, for the ITIs for which this data is available, transition to AM is over 100%. The latter is likely due to increase in the number of lateral entrants into AM as prospective trainees are becoming more aware of the multi-entry and exit option available for COEs. In terms of state-wise performance for 2009-10, transition rates ranged from 30% in Assam and Chhatisgarh to 90% or more for West Bengal, Maharashtra, Andhra Pradesh, Gujarat, Kerala and Tamil Nadu, and more than 100% for Karnataka, Jharkhand and Himachal Pradesh. The improvement in transition to AM reflects the growing realization among trainees of improved employment prospects from

undergoing advanced training. Earlier many COEs reported trainees leaving for work after completing only BBBT modules, but this seems to be changing now.

26. *Transition from AM to SM has continued to improve albeit slowly.* States where SM placement is taking place show a mix of apprenticeship and independent SM placement for providing trainees with six months of industry-based training. In 2009-10 and 2010-11, COEs reported placing nearly 11,500 trainees in SM (roughly 10% of total enrollment in BBBT). Preliminary data from the tracer study shows that 33% of SM related placement is by way of apprenticeships, and the remaining is in pure SM placement. Delays in SM placement takes place due to, (a) the time taken to declare AM results, (b) non-availability of apprenticeship places, and (c) industry's reluctance to providing SM training for six months (as opposed to 12 months under apprenticeship). Much more support is needed from the states, institutional management committees (IMCs) in ITIs, and industry and business associations to strengthen SM training so that the complete COE model is realized.
27. *COE Sectors:* The most popular sectors seem to be Leather Goods, Automobile, Electrical, Plastic Technology, RAC, Production and Manufacturing, Process Plant Maintenance, and Textile Technology which have 90% or higher enrollment rate. The lowest enrollment rates are registered by Tourism and Hospitality which are new trade sectors for ITIs, but given their status as emerging sectors of the economy, they are likely to do better in the future. However, except for Leather Goods and Textile Technology, BBBT pass-rates (at first attempt) for these sectors are lower than average. A low share of trainees in Plastic Technology and Process Plant Maintenance sectors seem to opt for AM training. Sector-wise performance is provided in Annex 3.
28. *External efficiency of COEs:* A follow-up third party tracer study of ITI graduates, after the base-line study in 2005-06, was conducted and completed in 2011-12 covering 200 ITIs in 15 states.<sup>45</sup> In what follows, we provide provisional findings from the study which will be revised after complete scrutiny of the data. Labor force participation rate (LFPR) is 84% for graduates of COEs. Employment rate (including self-employment and apprenticeship) at least after 12 months of completing training is 60% for VTIP COEs. This is nearly 188% of the base-line employment rate of 32%, and 120% of the end-term project target of 50%. Male employment rate is 64% (190% of the base-line rate of 33.4%; 123% of the end-term project target of 52%). Female employment rate at 38% lags behind male employment (but it is 200% of the base-line rate of 18.7% and 80% of the end-term project target of 48%). The average nominal monthly salary of COE pass-outs (excluding those who are self-employed or pursuing apprenticeships) is Rs. 5330<sup>6</sup> (Male: Rs. 5390; Female: Rs. 4630). More than 90% of COE pass-outs who works for wages/salaries are employed in the private sector.
29. In order to link the ITIs with the labor market and increase the placement rates of ITI trainees, the VTIP proposed and supported the establishment of a Training, Counseling and Placement Cell (TCPC) in each project ITI. Institution level data collected during the follow-up tracer study and progress reports provided by all project ITIs confirm that TCPCs have been established in nearly all project ITIs with 80% of them allocating

<sup>4</sup> These 15 states account for 80% of VTIP funded ITIs.

<sup>5</sup> To ensure that study findings reflected changes in the sector accurately, the study sample included 100 project and 100 non-project ITIs (25 domestically funded COEs and 75 PPP funded COEs).

<sup>6</sup> Nominal value

dedicated space to it, and nearly 90% designating a group instructor to carry out the responsibilities of a Training, Counseling and Placement Officer (TCPO). In some states, TCPCs have created and are using computerized data base of students for jobs and placement records. They have also been conducting mock interviews for potential candidates, *job melas* (employment fairs), and campus based recruitments for trainees. The mission feels that technical support and guidance from the center and/or states for strengthening TCPCs would help the States/ITIs a great deal in establishing robust linkages with the labor market. Support could include creating a separate full-time TCPO position, making provision for training of the TCPO, and in general building the capacity of the TCPC to provide a range of services.

30. *The efficiency and efficacy of COE model* will be fully achieved only when all the modules, BBBT, AM and SM, are delivered well and trainees go through the training with as little wastage as possible. This means that ITIs need to identify and address the causes behind relatively lower BBBT pass-rates. While transition into AM and AM pass-rates are satisfactory, trainees will neither be provided with AM certificates nor become eligible to receive SM training without having passed both BBBT and AM training. ITIs also need to ensure that fully-functional AM workshops are established as quickly as possible, AM instructor positions are created and filled as required, and instructors are provided with AM training. Lack of proper AM facilities and instructors de-motivates trainees from continuing in COE, and slows down confidence building in the quality of COE outputs among employers.
31. *Implementation of SM* has been the weakest element of the implementation of the COE model, a fact has been noted in all previous review missions. There has been a continuous general concern that SM training is not getting off the ground because: (i) industries are not willing to provide enterprise based SM training for six months, and (ii) for ITIs which are not located in industrial areas, there is no opportunity for providing SM in the vicinity of the ITI. There is also the additional concern that outreach to industry on the part of ITIs and states has been weak with regards to SM, and this is another reason behind the low participation of industry in providing SM training. To counter unwillingness, inability or lack of availability of industry to provide SM training, the DGET/MOLE has brought a number of COE sectors under the Apprenticeship Training System (ATS). This is a means of legally enforcing employers to take SM trainees. While use of the ATS in lieu of SM as a stop-gap measure is acceptable, the full-impact of the COE's designated institution-industry combination of providing training and joint certification requires implementation of SM as it was designed.
32. *Instructors and Principals vacancies and their training:* At the beginning, the project started with some daunting challenges- prevailing high instructors and principals vacancies in most states; need for sanctioning 6 new AM instructors' positions for each COE by the state governments; need for amendment of instructor recruitment rules for AM instructors; prevailing low remuneration for contract faculty; and contract faculty not allowed by the state governments for training. In addition, instructors' training was of low priority for the states. Achievements of the project in addressing these issues have been significant. Most states have amended the instructors' recruitment rules, increased tenure and salaries of contract faculty, and taken steps to create AM instructors positions, filled large number of instructors and principals' vacancies. Yet, critical gaps remain especially with respect to AM instructors. Currently, 84% of required instructors are in position in project ITIs, compared to 75% at the start of the project. While 90% of required CTS and 87% of required BBBT instructors are in position, only 57% of AM

instructors' positions are filled. States with high instructor vacancies include Andhra Pradesh, Jharkhand, Karnataka, Orissa, Punjab, Rajasthan and West Bengal (See Annex 3). Although new positions have been created and sanctioned in these states, recruitment process will take a long time as it is done by the respective State Public Service Commissions.

33. *Vacancies of principals* had reduced to 5% during the last review mission in January 2011. However, the vacancies have increased during the current mission. This is a serious issue which affects the performance of ITIs, and the mission strongly urges that states take necessary remedial steps as quickly as possible.
34. Most states have increased the duration for which contract faculty is hired to 11 months or more (except Assam, Daman and Diu, Haryana, Nagaland Tripura and West Bengal where the contract duration remains 6 months). Many states have also increased monthly salaries of contract faculty which are now closer to the basic pay of the equivalent regular instructor. States which continue to pay very low salaries to contract faculty include Assam and West Bengal where the average monthly salary of a contract instructor is Rs.4500-Rs 5000 (see Table in Annex 3).
35. Nearly 12,500 instructors have been trained under the project. Most states for the first time have submitted their instructors training plans to AHI in Bangalore responsible for coordinating instructors training.
36. *Establishment and strengthening of Instructors Training Network:* The Project intended to strengthen instructors training by establishing an instructor training network (ITN) through, (a) upgrading the facilities of 11 Advanced Training Institutes (ATIs) to train COE instructors, (b) establishing 10 Instructors Training Wings (ITW) under state government control to provide basic (entry-level) instructor training; (c) starting refresher training courses for instructors in 20 selected COEs; and (d) organizing specialized training of instructors in other public and private institutions. AHI was given the responsibility to manage and promote instructors training within the network. The mission assessed the progress of implementation of these reforms, which have larger and long-term systemic impact. This is described below:
  - a. *Instructor Training Wings (ITW):* Under the project, 10 ITWs were to be established in 10 states. The NPIU after identifying 10 states and ITIs released Rs. 13.38 crore to the states for the purpose. In the mean time, the National Council for Vocational Training (NCVT) approved new guidelines for establishment of Institute of Training of Trainers (ITOT)/ITW in January 2011, which prescribed some different design elements. At the joint meeting held between the states, NPIU and the Bank Task Team on February 01, 2012, it was decided that ITWs would be replaced by ITOTs and accordingly the states were advised to submit revised proposals with cost estimates. The revised cost estimate for establishment of infrastructure for ITOT is Rs 117 crore as against the project allocation of Rs 35.46 crore for ITWs. As establishment of ITOTs will require at least two years, the mission recommended this activity to be taken out of the project. The mission agreed that the establishment of ITOTs will require at least two years. The project closing date therefore would not permit these Institutes to be established within the project timetable, and, as such, this activity would need to be taken out of the project. A project extension of sufficient length, however, would enable the ITOTs to be established. At the wrap up meeting held on April 23, 2012, based on the

demand of the states, it was decided that the joint team of DGE&T and Bank would examine the feasibility of establishment of ITOT under VTIP.

- b. However, at the wrap up meeting held on April 23, 2012, based on the demand of the states, it was decided that the joint team of DGE&T and Bank would examine the feasibility of establishment of ITOT under VTIP. A detailed note on ITOT and ITW is attached in Annex 4.
  - c. Training facilities in all the 11 ATIs supported under the project have been upgraded and are being used for training the trainers. Although AHI with its limited capacity has tried to perform the role of managing and promoting instructors training, much more needs to be done. With its current institutional structure, mandate, and capacity, it is practically not possible for AHI to play the assigned role effectively. In order to redefine the institutional goals, structure and capacity of AHI, DGE&T constituted an Expert Group with representation from industry, DGE&T and CFIs. The recommendations of the Expert Group on AHI were discussed with and agreed to by the senior officials of MoLE, including the Directors of CFIs and the Director General. However, not much progress has been made on implementing the recommendations.
37. *Incentive Fund:* As incentives towards better performance, provisions have been made under the project to provide additional resources (other than their allocation as per the Institutional Development Plan) up to 10 states in years three and four of project. States can receive a maximum of USD 2 million as incentive funds. Performance criteria for selection of states include: internal and external efficiency of COEs and ITIs (for those ITIs which have selected only up-gradation of existing trades), instructor availability and their training, financial performance, and affiliation courses of COE and new courses introduced under the project. Three states, Maharashtra, Gujarat and Orissa were found eligible to receive these funds in the first round of selection in 2010, and received their first incentive funds installment in March 2011. The NPIU has solicited proposals from states for the second round of performance based incentive funds in December 2011. The selection process is currently on-going and is likely to be completed by May 15, 2012. The mission recommends that the selection is completed by May 30, 2012 and funds be released to the states immediately. Incentive fund could be provided to the states based on the number of AM instructors regularized.

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

38. VTIP laid emphasis on reforms and innovations to bring about improvements in the vocational training system and to sustain gains made under the Project. The DGE&T is given the responsibility for implementing these activities in collaboration with States, industry associations, non-government organizations (NGOs), and private training providers.
39. Promoting reforms: Two sets of activities were selected to promote reforms: (a) studies designated to develop viable proposal for reforms, and (b) study tours and short-term fellowship programs to enhance the capacity of the policy makers and system managers to implement reforms.
  - a. With technical support from the Bank and ILO, MoLE has conducted two national workshops on National Vocational Qualifications Framework (NVQF). The workshops have sensitized a wide range of stakeholders and shared policy design



options drawing lessons from international experience. Another international workshop was conducted on training the trainers. As per the recommendations of the 2<sup>nd</sup> workshop, occupational and qualifications mapping will be conducted in some key sectors. These sectoral mappings will provide the analytical base for crafting the national framework. The Bank team has completed a mapping survey in the retail sector. The Ministry is undertaking a number of policy initiatives using its own funds.

- b. There is a growing demand from the states for study tours to countries with better TVET system. The mission recommends that the DGET plan for study tours for officers from various project states and institutions, and organize the first study tour in the next six months.
40. Innovations: Nine states submitted proposals for innovations funds, which were reviewed jointly by the NPIU, Bank task team and the states in September 2011. The states were advised to submit the revised proposal incorporating the comments provided by independent experts and the joint team of the NPIU and Bank. Only Karnatak and Delhi have submitted revised proposal so far. The mission feels that the funds allocated for innovations fund cannot be utilized even if the project period is extended by one year. Hence, the funds could be reallocated to other project activities under the project needing additional resources or cancelled.

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

41. *Project Management Capacity:* Although project management capacity both at the national and state levels has improved starting from a low base, it still continues to be weak with limited number of staff at the NPIU and in some State Project Implementation Units (SPIUs) (in particular Assam, Bihar, Chhatisgarh, Uttar Pradesh, West Bengal, Tamil Nadu, Himachal Pradesh and Uttarakhand). A critical finding of the Management Review is that staffing of SPIUs is positively correlated with states' performance on the project. States with better staffed SPIUs which have continuity of tenure of key project staff have achieved better utilization of funds and made good implementation progress. The Management Review also noted that pro-active leadership at the state level facilitates achievement of project related outputs.
42. Efforts to hire a third party implementation support agency at the national level to supplement NPIU's capacity failed following which the NPIU decided to hire individual consultants. This has also been delayed due to delays in providing approval by the Internal Finance Division.
43. *Monitoring and Evaluation:* The mainstay of project monitoring in the VTIP is the progress report forms (PRFs) through which ITIs provide comprehensive information on all project components and sub-components. Every six months, the NPIU collects information on all key performance indicators, intermediate outcome indicators, institutional reforms, instructor numbers and their training and a host of other data from each project ITI and CFI using the PRFs. The institutional level data is analyzed intensively by the Bank team based on which state-level report cards and the national report cards are prepared. These report cards are used in review discussions and ITI level supervision during field-visits. All states and ITIs submitted their PRFs for the 5th JRM including states that had lagged earlier such as Himachal Pradesh and Delhi.

44. *Management Information System:* There has been significant delay in the development of the Management Information System (MIS). The software development consultants (M/s Wipro) have reported that currently, coding, unit and integration testing (planned from June 2011 to January 2012), is still in progress. Planned completion for data migration, application deployment, demo and training which were to be completed by March 2012, are still in progress. The NPIU has made good progress in purchase of hardware and software for deployment in the Data-center that will host the MIS. The MOLE has entered into an understanding with the National Informatics Center (NIC) for providing data-center facilities, which will be made available by May 15, 2012. The mission strongly urges the NPIU to monitor the development and sector-wide deployment of the MIS in a manner that ensures its timely operationalization by December, 2012.
45. *Mid-Term Review Studies:* Three review studies were undertaken with the objective of doing a comprehensive and formative mid-term evaluation of project progress – achievements and implementation gaps. These studies were (a) a follow-up national tracer study of graduates from COE and CTS courses from project and non-project ITIs, (b) a civil works, environment and asset audit, and (c) a management review of the project encompassing the national, state and ITI level project related management in scope. The key findings from the studies have been provided in section V of this aide-memoire. The studies have identified policy, institutional, management, financing and practical factors influencing the achievement of project related outcomes and outputs. They have also identified critical gaps for which corrective measures need to be taken to fully realize the objectives of the project, and have made recommendations towards the same.

## **X. Procurement**

46. The mission noted the status of procurement of goods and Civil works across all States and observed that approximately 80% of the procurements have been completed. The SPIUs assured the mission that the remaining procurements shall be completed by June 2012 except few Civil works which shall be completed by December 2012. The mission also observed that failure in appointing Implementation Support consultant and Civil works coordinator has affected project implementation and effective follow up of procurement issues.
47. For FY12 Post Procurement Review (PPR), 13 States have been selected out of which PPR field review for five (05) States are pending, namely, Uttar Pradesh, Himachal Pradesh, Chhattisgarh, Jharkhand and Sikkim. The PPR in these 5 States will be done by end of May 2012. The PPR reports for FY12 will be shared with NPIU and respective SPIUs by end of June 2012. The Risk Mitigation Action Plan shared along with PPR reports for FY 10 and FY 11 are still pending. The NPIU has agreed to co-ordinate and send the consolidated status of the Risk Mitigation Action Plan to the Bank by May 30, 2012.
48. The NPIU has successfully ensured publication of Procurement Plans approved by Bank. The NPIU staff has undergone training at ASCI, Hyderabad. Based on the progress made on building procurement capacity, carrying out procurement actions, preparation of procurement plan and conduct of post-procurement review, the procurement rating is upgraded from Moderately Unsatisfactory to Moderately Satisfactory. For detailed procurement status, please see Annex 5.

## **XI. Financial Management and Disbursement**

49. Financial Management on VTIP continues to be a challenging task for officials at MoLE. Submission of the past 3 – 4 quarterly Interim Financial Reports has been timely and more accurate. However audit disallowances in a significant number of states continues to be challenge that needs to be given a high priority; this would require systematic and time intensive inputs from all concerned to be resolved before project closing. On disbursements, out of total project allocation of SDR 185.10 million, disbursement as on April 12, 2012 is SDR 97 million. This signifies disbursement of 52% of the credit. After the inability of Government of Maharashtra to conduct a special review, the MoLE has taken on the responsibility of conducting special review of expenditure in that state since project commencement. This was a result of a visit to Mumbai made jointly by the World Bank and MoLE in January 2012. REOI for the work has been issued by the MoLE in April 2012. The detailed Financial Management status and issues, including state-wise and year-wise audit issues are in Annex 6.

## **XII. Civil works**

50. ITIs which joined the project in 2006-07 and 2007-08 have nearly completed civil works. Of those that joined in 2008-09, most would complete works by June 2012. About 20 ITIs are yet to start civil works. If these ITIs do not complete civil works by October 2012, the states would be asked to bear the total civil works costs out of their state budget.
51. A third party civil works quality review has been undertaken by the NPIU. The review finds that civil works have been completed in 69% of the sample ITIs, in 24% ITIs the works was in progress and the rest 7% did not have new construction. While the quality of works was found to be satisfactory in 60% of the sample ITIs, about 18% were found to be not satisfactory (cracks with poor quality plaster and with uneven flooring). The mission recommends that each state must conduct a third party review of civil works quality so that the implementing agency could be asked to rectify the problems in whichever ITIs those exist.

## **XIII. Safeguards: Environment Management and Equity Assurance Plan**

52. Environment Management: The mission from the environment management and safeguards perspective focused on the following: (a) review pertaining to the implementation of the Environment Management Framework (EMF) by the participating states and; (b) Third Party Review of Civil Works and Environment Management in the project. Towards this end, the mission participated in the review meetings held at Chennai, Raipur and Delhi apart from reviewing the state and ITI level Progress Report Forms (PRFs). Site visits were undertaken to four ITIs during the mission to ascertain the status and quality of EMF implementation on the ground. Details have been presented in Annex 7.
53. The over-all performance on environment management and safeguards during the period of review has been rated as '*satisfactory*'. A substantial number of participating ITIs under the project have designated Civil Work-cum-EMF Coordinators. While in terms of the quality of EMF implementation, states such as Gujarat, Goa, Punjab and Maharashtra continue to out-weigh the performance in this area in comparison to other states in the

country, several efforts are being made by other states such as Madhya Pradesh, Chattisgarh, Haryana, Karnataka, Rajasthan and Himachal Pradesh. These efforts include: (a) proper light and ventilation in classrooms and workshops; (b) appropriate sanitation and drainage arrangements; (c) landscaping and plantation; (d) improved maintenance/cleanliness in the campus; (e) provision of rain water harvesting arrangements; (f) appropriate access/ramps for Physically Challenged Persons; (g) improved levels of PPE provision and (h) fire safety arrangements.

54. In some states, the good practices have been extended to ITIs beyond those that have been covered under the project. In some states, as part of soft skills or other training, topics on occupational health and safety have been introduced for increasing the level of awareness among students. States like Gujarat have also prepared a common COE building drawing which is being used by all ITIs undertaking civil works and this takes into account the design related requirements specified in the EMF. ITI Jhabua (Madhya Pradesh) won the 'Best Biodiversity Park' Award (*Shrestha Jeev Vividhta Udyan*) in 2011. The award has been given by Madhya Pradesh State Biodiversity Board and is a reflection of the Institute's commitment to improve the campus environment, which other institutes need to learn from.
55. *Key Agreed Actions under EMF:* The following actions are needed to improve/strengthen EMF compliaince and have been agreed with the DGE&T and concerned states during the Review Meetings:
  - a. The currently vacant Civil Work-cum-EMF Coordinator positions in many states need to be filled-in at the earliest.
  - b. There is a need to particularly focus on five states, namely Bihar, Jharkhand, Uttar Pradesh, Uttarakhand and Tamil Nadu, to ensure that the current weaknesses/gaps in EMF implementation (including those pertaining to monitoring and reporting) can be addressed or at least can be plugged-in to some extent. This may include state-specific reviews and training prior to the next semi-annual review mission. SPIUs of Tamil Nadu and Chhattisgarh (including some Principals in these states), have specifically requested for training on EMF implementation, which the DGE&T has agreed to provide. It was agreed that efforts will be made towards improving campus environment, with particular emphasis on sanitation, water supply, fire safety, use of personal protective equipment (PPE) and waste management aspects.
  - c. With the closure of civil works in sight (by June 2012) in most of the ITIs where these were planned, the mission reminded and reiterated the SPIUs and concerned ITIs need to ensure that the campus/construction site is cleaned-up/rehabilitated and construction wastes/debris are disposed appropriately (as per EMF guidelines).
  - d. The mission also encouraged NPIU and SPIUs for developing 'good practice' notes, as several efforts have translated into success stories in the last two and half years or so. Apart from helping the 'EMF documentation' for the project, this will serve as guidance material to learn and replicate from.
56. *Equity Assurance Plan:* Overall there has been improvement in the academic performance of SC, ST and girls in COEs. In 2009-10, SC and ST trainees constituted 20% and 10% of all BB BT admissions which has been their average enrolment into COEs over the project period. Their drop-out rates were a few percentage points higher than that for the overall cohort. The BB BT pass-rate for SC was 57% which is the same as the average rate for the overall cohort, and for ST it was higher at 61%. SC and ST

registered high AM transition and good academic performance in AM modules. Girls' enrolment in COE in 2009-10 was only 7%. Their pass-rate in BBBT was 65% which was better compared to boys but they had a higher drop-out rate in AM, 21% for girls and 8% for boys.

57. There has been significant increase in the employment rates of SC and ST trainees from their base-line labor market outcomes. In 2005-06, the employment rates of SC and ST trainees respectively were around 29% and 23%. These had increased to 57% and 50% in 2011-12.<sup>7</sup> Employment rate for girls after 12 months of passing-out from COEs only 38%.
58. There has been a significant increase in stipends provided to SC/ST in some states (Haryana, Punjab, Rajasthan, West Bengal, Bihar, Jammu & Kashmir, and Madhya Pradesh). In most states stipends are also distributed timely. Girls' stipends, however, still lag behind – they are generally very small in size, and a number of states don't provide any stipends to girls.
59. For mainstreaming the issues of SC/ST and girl trainees' welfare within the ITI system, the Equity Assurance Plan for the project had recommended the inclusion of a consultant for this specific purpose in the NPIU and the SPIUs. However, this has been the exception rather than the rule, and only Goa, Madhya Pradesh and Karnataka have hired a gender and/or SC/ST consultant at any time during the project period. A number of studies find that SC/ST and girl trainees face particular challenges in access, retention and employment due to financial difficulties, distance and lack of accommodation, weak academic backgrounds, cultural norms and employers' reluctance to hire girls. The mission recommends that the NPIU and SPIUs pay special attention towards increasing the participation and performance of SC, ST and girls in COEs and in ITIs in general, and to provide stronger placement assistance to them. Each ITI, in consultation with and support from their IMCs, should prepare a strategy and a time-bound action plan to achieve these objectives.

#### **XIV. Next Steps and Review Mission**

60. Given that less than 9 months of project period remains, the speed of implementation needs to increase considerably to complete incomplete tasks and achieve the quality improvement agenda. The mission strongly recommends bi-monthly reviews and implementation support missions to the states during the remaining project period, and all through the extension period. As a first step, both the NPIU and the states/UTs need to prepare realistic action plans. The action plans will be intensively reviewed in a workshop planned for July 2012, based on which extension will be considered by MOLE and the Bank.
61. The next review and implementation support mission will be held in July 2012.

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<sup>7</sup> Provisional data from the current tracer study.

**XV. Agreed Actions:**

*The NPIU to accomplish the following:*

S. No.	Actions	Date of completion
1.	Preparation of implementation action plan till the closing date by June 30, 2012. A national workshop with the states/UTs will be conducted to discuss their action plans.	Workshop to be conducted in early July 2012 in which each state's action plans will be reviewed and finalized.
2.	The DGE&T and Bank team will examine the feasibility of establishment of ITOT, and grant of innovation fund award and recommend a technical and financial feasibility plan to the DGE&T by May 15, 2012. If the plan is accepted, the project would be extended to support establishment of ITOTs and strengthen instructors training.	Technical and financial feasibility plan to be prepared by May 30, 2012 and DGE&T to take a decision by July 15, 2012.
3.	NPIU will recruit consultants to provide implementation support to the states and monitor implementation.	Consultants to be recruited by July 30, 2012.
4.	SPIUs will augment SPIU capacity through deputation and/or recruitment of consultants.	This is to be completed by July 30, 2012.
5.	MOLE to take up the issue of recruitment of regular AM instructors at the highest level in the state government and ensure that the task is completed before the closing date of the project.	Letters from the Union Minister to be sent to the Chief Ministers requesting them to take speedy actions. Letters to be sent from the Union Labor Secretary to the Chief Secretary. The NPIU will closely monitor the progress in each state.
6.	All COE and CTS courses to obtain NCVT affiliation by June 2012.	The NPIU needs to vigorously monitor and support states to submit application for affiliation by May 30, 2012, and follow up at DGE&T level for quick processing of application. This will be an important activity of the state and NPIU action plan.
7.	In consultation with industries and industry associations as well as the state	Action plan developed by July 30, 2012.

	governments, develop an action plan for operationalizing Specialized Module.	
8.	Prepare a set of guidelines for the TCPC and organize a training-workshop for the states.	Guidelines prepared and shared with the states by July 30, 2012. Training-workshop conducted for the states in July 2012.
9.	Management Information System -Complete UAT -Complete Pilot -Complete Training of all 400 ITIs -Operationalize the MIS -Organize a national workshop to orient states on the use of MIS information for monitoring, planning, budgeting and sector improvement	-May 30, 2012 -July 30, 2012 -October 30, 2012 -December 30, 2012 -October 30, 2012
10.	Organize a study tour for NPIU, SPIU and some ITIs.	November 30, 2012
11.	All states and CFIs covered under post-procurement review for FY 10 and 11 need to submit risk mitigation plan.	Plan to be submitted to the Bank by May 30, 2012
12.	Conduct special audit in Maharashtra.	Contract to be awarded by June 30, 2012.
13.	All states to resolve audit disallowances issues till FY 2009-10 and submit recertification to the NPIU.	Audit recertification to be sent to the NPIU and Bank by June 30, 2012.

**INDIA: Vocational Training Improvement Project (Cr. 4319-IN)**  
**5<sup>th</sup> JRM Schedule of Review**

S. No.	Names of the States	Place & Date of meeting
1	Maharashtra	Mumbai January 08, 2012
2	Gujarat ( and a meeting with IIM for discussion on the curricula for the training of ITI Principals )	Ahmedabad February 08, 2012
3	Andhra Pradesh Tamil Nadu Karnataka Kerala	Chennai February 23-24, 2012
4	Bihar Chhattisgarh Jharkhand Madhya Pradesh Orissa	Chhattisgarh February 28-29, 2012
5	Meghalaya Mizoram Nagaland Manipur Sikkim Arunachal Pradesh Assam	Meghalaya March 06-07, 2012
6	Haryana Himachal Punjab	Delhi March 13, 2012
7	Rajasthan Uttarakhand Uttar Pradesh	Delhi March 14, 2012
8	Wrap up meeting: All states/UTs participating in VTIP	Delhi 23, April 2012



**INDIA: Vocational Training Improvement Project (Cr. 4319-IN)**  
**Results Monitoring Framework at 5<sup>th</sup> JRM**

Outcome (Key performance indicators)	Baseline	Data collection and reporting			Remarks
		Mid-term Target July 2011	Value as of March 2012	End- term Target	
<b>Project development objective outcome indicators</b>					
Percent of pass-outs from project ITIs that exit from the CTS system with a NCVT certificate, as compared to the baseline; - disaggregated by gender	All: 61.0%  M: 61.5% F: 74.2% Note: [1]	67%  67% 81%	All (COE) BBBT – 57% AM – 73% Male BBBT – 56% AM – 72% Female BBBT – 65% AM – 76%	73%  73% 89%	BBBT pass-out results refer to trainees' first attempt at taking these tests. They can re-take these tests 6 more times. Most trainees who join AM training eventually pass the BBBT test
Percent of project ITIs' pass-outs who find employment within one year of finishing training, as compared to the baseline; - disaggregated by gender, caste	All: 32.0%  M: 33.4% F: 18.7% SC: 29.4% ST: 27.6% Note: [2]	43%  45% 25% 39% 37%	60%  64% 38% 53% 46%	50%  52% 29% 46% 43%	Preliminary findings from the 2011 tracer study
Real monthly earnings (INR) of employed pass-outs from project ITIs measured one year after completing training, as compared to the baseline; - disaggregated by gender	All: 2421  M: 2474 F: 1961 Note: [3]	2784  2845 2255	5330  5386 4360	3026  3093 2451	Preliminary findings from the 2011 tracer study
Notes: [1] Source: ITI Institutional Survey. Estimates based on the percent of 2003 entering cohort in 2-year training course that pass the trade test. [2] Source: Tracer Study of ITI Pass-outs [3] Source: Tracer Study of ITI Pass-outs. Estimates based on (full-month equivalent) earnings of currently employed pass-outs completing training in 2005 and with about 1 year in the labor market.					

Intermediate Output Indicators		Baseline	Data collection and reporting			Remarks
			Mid-term Target	Value as of March 2012	End-term Target	
Component 1: Improving Quality of Vocational Training						
Sub-component 1.1: Strengthening Industrial Training Institutes						
<ul style="list-style-type: none"><li>Percent of ITIs having active private sector participation in IMCs measured by their attendance at IMC meetings and through field visits by SPIU staff;</li><li>The proportion of a State/UTs allocation that has been expended;</li><li>The proportion of relevant instructor vacancies that are filled;</li></ul>			100	100	100	
			90	—	100	
			90	CTS - 90% BBBT – 87% AM – 54%	100	
Sub-Component 1.2: Training of Trainers						
<ul style="list-style-type: none"><li>Number of Instructors Training Wings (ITWs) established or upgraded to provide entry level instructors training</li><li>Number of new and current instructors given entry level or refresher/specialized instructors courses annually</li></ul>		0	7	0	10	Proposals from 10 states for ITW have been approved. The MOLE has released funds to 8 states.
		0	2700	12895	5100	
Sub-Component 1.3: Incentive Fund						
<ul style="list-style-type: none"><li>Number and types of grants provided to well-performing States/UTs, and the distribution of these resources to non-project ITIs</li></ul>		0	10	3	20	

Intermediate Output Indicators		Baseline	Data collection and reporting			Remarks
			Mid-term Target	Value as of March 2012	End-term Target	
Component 2: Promoting Systemic Reforms and Innovations						
Sub-component 2.1: Promotion of Reforms						
• Number of studies commissioned by NPIU			6	0	9	
Sub-component 2.2: Innovations Fund						Nine states had submitted proposals to the NPIU. The proposals were reviewed in September 2011 and so far no proposal has been awarded.
• Number of innovative proposals financed by innovations fund, and distribution of grants by type			11	0	20	AHI's mandate is not to revise trade curricula. Under the Project, AHI was to develop AM instructor training curricula, which AHI has developed for 21 COE sector.
Sub-component 2.3: Strengthening Capacity to Develop Curriculum and Resource Materials						
• AHI - number of new instructors training curricula for AM instructors developed			20	21	21	
Component 3: Project Management, Monitoring and Evaluation						
Component 3.1: Project Management						The NSC and all SSCs were established in the first year of project implementation
• A National Steering Committee (NSC), supported by NPIU, established				NSC established		
• State-level Steering Committees (SSC), supported by SPIU, established within 3 months of project effectiveness				All SSCs established		

Intermediate Output Indicators	Baseline	Data collection and reporting			Remarks
		Mid-term Target	Value as of March 2012	End-term Target	
<b>Sub-Component 3.2: Monitoring and Evaluation</b> <ul style="list-style-type: none"> <li>ITI institutional survey</li> <li>Tracer study of ITI pass-outs</li> <li>Web-based Management Information System (MIS) implemented, based on baseline surveys and field visits.</li> <li>Bi-annual joint GoI-IDA review of project implementation progress</li> <li>Project evaluation undertaken at mid-term and end-term by independent local/international consultant firms.</li> </ul>	Yes Yes  Yes Yes	Yes Yes  Yes Mid-Term Evaluation	Completed Completed  Completed Completed	Yearly Yearly  Bi-annual Twice during project life	

## India: Vocational Training Improvement Project 5<sup>th</sup> Review Performance Report Card

**Table 1: Year of Joining the Project**

No. of ITI	2006-07	2007-08	2008-09	Total
COE	96	119	96	311
Upgrade	4	31	54	89
Total	100	150	150	400

**Table 2: Baseline Academic Performance**

Baseline 2005-06	Admissions Rate	Drop-out Rate	Examined Rate	Pass Rate
	87%	22%	78%	61%

**Table 3: Overall Academic Performance**

Academic Efficiency (%)	Batch of				
	2006-07	2007-08	2008-09	2009-10	2010-11
BBBT					85
Admissions	103	99	107	85	
BBBT Drop-out	18	21	19	22	24
BBBT Examined	81	86	81	106	98
BBBT Passed	65	65	68	57	25
AM Transition	92	86	84	95	108
AM Drop-out	7	8	8	9	9
AM Examined	93	91	92	113	79
AM Passed	85	82	81	73	82
SM Transition	-	-	-	124	31

**Table 4: Labor Market Performance<sup>8</sup>**

Labor Market Performance	Baseline 2005-06	2010-11
Employment Rate	32%	60%
Average Monthly Salary (Rs)	Rs. 2421	Rs. 5330 (nominal)

	Jan 2011	Oct 2011
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<sup>8</sup> Provisional numbers from the Tracer Study 2011-12. Values will be revised after complete scrutiny of data.

**Table 5: Instructors Status****Table 6: Specialized Modules**

Indicator	Jan 2011	Oct 2011
Instructor in position in ITIs (%)	90%	84%
BBBT (%)	90%	87%
Regular (%)	59%	57%
Contract (%)	31%	34%
AM (%)	46%	54%
Regular (%)	33%	33%
Contract (%)	16%	30%
CTS (%)	92%	90%
Regular (%)	82%	69%
Contract (%)	10%	25%

	%COE	%COE
SM trainees being placed	60%	73%
Joint certification of SM trainees	50%	62%
Certificate recognized by employers	50%	59%

**Table 7: Instructors Training and Contract Instructors**

	Jan 2011	Oct 2011
No. of Instructors Trained <sup>9</sup>	4158	10,000+
Short-term <sup>10</sup>	3159	
Long-term	999	
No. of ITIs sending contract instructors for training (% ITI)	362 (70%)	268 (67%)
Average Contract Instructor Monthly Salary	8400	10262
Duration of contract	11 months	13 months

**Table 8: Institutional Reforms and Activities**

Reform/Activity	Performance Indicator Value	
	Jan 2011	Oct 2011
Regular full-time Principal in position	95%	90%
Principal with Additional Charge	5%	33%
Principal empowered as per MOU	95%	91%
Principal Award contracts up to Rs. 9 Lakhs	95%	77%
Frequency of IMC <sup>11</sup> meetings		
Once a month	30%	27%
Once a quarter	60%	62%
Once in six months	10%	11%
Average attendance by private sector members in an IMC meeting		
<50%	10%	12%
50%-75%	70%	66%
>75%	20%	22%
TCPC <sup>12</sup> Established	90%	95%
TCPO in-charge	10%	92%
Trainee data-base exists	90%	90%
Data-base shared with employers/industry	90%	89%
Computerized Employment Record	90%	88%

<sup>9</sup> Cumulative from the beginning of the project<sup>10</sup> Short term training is less than a year; Long term training is more than a year<sup>11</sup> Institutional Management Committee<sup>12</sup> Training Counseling and Placement cell

## Equity

Table 9: Girls Academic Performance

Academic Efficiency (%)	Batch of				
	2006-07	2007-08	2008-09	2009-10	2010-11
BBBT					
Admissions	11	10	10	7	13
BBBT Drop-out	22	22	26	38	24
BBBT Examined	81	85	84	97	97
BBBT Passed	71	69	68	65	32
AM Transition	84	95	92	90	101
AM Drop-out	9	9	10	21	44
AM Examined	98	93	81	98	64
AM Passed	92	87	81	76	120
SM Transition	-	-	-	105	39

Table 10: SC Academic Performance

Academic Efficiency (%)	Batch of				
	2006-07	2007-08	2008-09	2009-10	2010-11
BBBT					21
Admissions	18	19	21	20	
BBBT Drop-out	21	21	23	24	28
BBBT Examined	78	87	78	105	101
BBBT Passed	76	63	69	57	23
AM Transition	98	100	83	93	82
AM Drop-out	8	10	12	10	25
AM Examined	92	89	92	99	83
AM Passed	84	83	83	73	75
SM Transition	-	-	-	112	35

Table 11: ST Academic Performance

Academic Efficiency (%)	Batch of				
	2006-07	2007-08	2008-09	2009-10	2010-11
BBBT					31
Admissions	10	7	8	10	
BBBT Drop-out	28	25	33	28	32
BBBT Examined	77	80	79	97	106
BBBT Passed	70	64	67	61	19
AM Transition	86	88	76	113	90
AM Drop-out	9	12	18	7	8
AM Examined	92	91	93	98	91
AM Passed	80	99	96	74	74
SM Transition	-	-	-	81	53

Table 12: Equity Assurance Plan

Welfare Aspect	SC	ST	OBC	Girls
Monthly Stipend (Rs)	357	525	162	129
Distributed on time	Yes	Yes	Yes	Yes
Increased	Yes	Yes	Yes	Yes

**Table 13: Environmental Management Framework**

Aspect	% Yes
Coordinator for Civil Works and Environment exists	Yes-86%
Campus EMF Plan exists	Yes-89%
Problems with EMF implementation	Yes-33%

**Table 14: Course Affiliation Status**

Course	Total to be affiliated (Number)	% Affiliated	% Affiliation applied for	% Remaining
BBBT	1830	28%	31%	41%
AM	915	5%	22%	73%
CTS Trade (UPG)	1055	88%	3%	9%
CTS New Trade	216	38%	12%	51%



Table 15: State-wise academic performance

	Cohort entering COEs in 2009 (%)										Cohort entering COEs in 2010 (%)		
State/UT	BBBT Admissions	BBBT Drop-out	BBBT Examined	BBBT Passed	AM Transition	AM Drop-out	AM Examined	AM Passed	SM Transition	BBBT Admissions	BBBT Drop-out		
ANDAMAN & NICOBAR ISLANDS	100	5	69	68	71	19	100	96	105	121	52		
ANDHRA PRADESH	85	27	95	71	93	7	95	89	110	90	23		
ASSAM	74	21	100	44	31	12	100			86	14		
CHHATTISGARH	79	12	93		31	21	100			84	21		
DELHI	97	23	101	23	81	2	100	73	131	97	18		
GOA	65	18	98	82	62	9	98	82	297	59	20		
GUJARAT	76	24	99	81	94	13	100	91	5	73	14		
HARYANA	100	31	100	28	72	19	463	71	151	99	40		
HIMACHAL PRADESH	83	17	428	23	453	2	100	36	102	80	5		
JHARKHAND	75	30	100	100	105	2	67	97		73	29		
KARNATAKA	86	33	100	39	101	11	89	55	355	81	29		
KERALA	65	26	97	16	98	4	91	58	439	93	22		
MADHYA PRADESH	86	35	102	35	76	21	102	76	73	94	38		
MAHARASHTRA	96	15	100	64	91	4	100	60	80	99	18		
NAGALAND	30	35	100	67	79	21	100	93	0	37	50		
ORISSA	71	25	100	85	87	1	83	97	92	65	10		
PUNJAB	88	18	98	34	60	4	100	75	65	80	37		
RAJASTHAN	99	24	91	33	85	100		55	226	85	25		
TAMIL NADU	68	33	100	63	98	14	100	87	77	72	33		
TRIPURA										91	16		
UTTARAKHAND	100	13	86	90	73	34				74	31		
WEST BENGAL	99	21	92	81	90	10	100	95	0	99	28		
INDIA	86	23	107	56	95	9	114	72	125	87	23		

Table 16: Sector-wise academic performance

		Cohort entering COE in 2009 (%)										Cohort entering COE in 2010 (%)		
S. No.	Sector	BBBT Admissions	BBBT Drop-out	BBBT Examined	BBBT Passed	AM Transition	AM Drop-out	AM Examined	AM Passed	SM Transition	BBBT Admissions	BBBT Drop-out		
1	Process Plant Maintenance	101	31	100	38	52	60		73	31	102	21		
2	Textile Technology	101	28	100	80	99	3	100	84	100	101	32		
3	Production & Manufacturing	93	15	99	54	89	6	98	65	90	90	16		
4	Refrigeration & Airconditioning	90	24	99	42	87	29	92	59	715	85	20		
5	Plastic Technology	90	11	100	32	16	6	100			103	27		
6	Electrical	90	23	142	54	140	8	96	76	160	89	36		
7	Automobile	90	24	99	60	83	9	99	80	69	88	15		
8	Leather goods	89	38	100	100	100	16	100	100	100	54	35		
9	Plastic Processing	87	24	100	59	99	18	100	73	107	83	20		
10	Chemical	84	23	100	63	105	20	100	80	59	81	19		
11	Fabrication	83	20	99	55	82	5	100	63	120	84	46		
12	Agriculture	79	15	100	49	61	0	100	95	30	81	30		
13	Industrial Automation	78	9	100	99	100	8	100	95	100	88	24		
14	Cane & Bamboo crafts	76	75	100	38						72	32		
15	Electronics	75	37	99	47	96	5	99	63	161	79	31		
16	Information Technology	73	23	99	77	82	7	100	80	107	75	21		
17	Construction & Wood Working	70	27	94	72	85	11	104	84	76	82	20		
18	Apparel	68	21	94	65	78	9	100	82	90	54	5		
19	Instrumentation	66	62	100	93	56	8	100	99	50	76	21		
20	Food Processing	63	24	100	50	92	5	100	100	100	77	18		
21	Textile	58	26	100	0	79	5	100	80		48	41		
22	Hospitality	56	27	80	71	73	1	89	89	65	71	32		
23	Tourism	42	42	100	61	61	26	100	100	371	41	69		

**Table 17: State-wise labor market outcomes (including apprenticeship)**

State	Employment Rate
Andhra Pradesh	52%
Chhattisgarh	37%
Gujarat	62%
Haryana	68%
Himachal Pradesh	92%
Jammu & Kashmir	89%
Karnataka	58%
Madhya Pradesh	40%
Maharashtra	69%
Punjab	68%
Rajasthan	39%
Tamil Nadu	84%
Uttar Pradesh	42%
Uttaranchal	81%
West Bengal	23%
Total	60%

Based on provisional data from the Tracer Survey and Study, NPIU, 2011-12

**Table 18: State-wise Instructors in Position in COE**

State/UT	BBBT (%)	BBBT Regular (%)	AM (%)	AM Regular (%)
Andaman & Nicobar islands	100	17	-	-
Andhra Pradesh	94	54	71	23
Assam	64	62	14	3
Delhi	89	61	33	28
Goa	79	19	140	98
Gujarat	98	75	93	44
Himachal Pradesh	78	22	30	0
Jharkhand	33	17	33	17
Karnataka	75	38	49	27
Kerala	95	36	69	26
Nagaland	100	100	50	0
Orissa	63	7	60	0
Punjab	80	52	20	12
Rajasthan	106	58	50	6

Tamil Nadu	83	71	46	11
Tripura	100	100	50	0
West Bengal	106	50	58	-
India	88	57	54	33

**Table 19: State-wise Contract Instructors Salary**

State	Average Monthly Salary (Rs)
Andaman & Nicobar	16500
Andhra Pradesh	11500
Arunachal Pradesh	-
Assam	5400
Chhatisgarh	11820
Daman & Diu	17025
Delhi	16200
Goa	18000
Gujarat	9000
Haryana	12500
Himachal Pradesh	13000
Jharkhand	0
Karnataka	7000
Kerala	10600
Lakshadweep	13500
Madhya Pradesh	7200
Maharashtra	13700
Manipur	7800
Meghalaya	.
Mizoram	13500
Nagaland	10000
Orissa	9300
Puducherry	.
Punjab	9479.167
Rajasthan	10000
Sikkim	10000
Tamil nadu	7000
Tripura	8000
Uttarakhand	9417.571
West Bengal	4050

**Table 20: Affiliation Status of BBBT courses as of October 2011**

State/UT	Affiliated Courses	Affiliation Applied for	Affiliation not applied for*
	%		
Andaman & Nicobar islands	0	100	0
Andhra Pradesh	71	8	21
Assam	0	0	100
Chhatisgarh	0	33	22
Delhi	0	33	67
Goa	2	21	43
Gujarat	42	51	7
Haryana	0	33	60
Himachal Pradesh	83	17	0
Jharkhand	0	33	33
Karnataka	1	30	60
Kerala	38	0	62
Madhya Pradesh	4	42	33
Maharashtra	44	31	25
Nagaland	0	17	83
Orissa	31	19	19
Punjab	13	28	38
Rajasthan	0	0	100
Tamil Nadu	35	37	11
Tripura	100	0	0
Uttarakhand	100	0	0
West Bengal	0	63	37
India	29	30	41

\*includes "not affiliated and missing affiliation application status"

**Table 21: Affiliation status of AM courses as of October 2011**

State/UT	Affiliated Courses (%)	Affiliation Applied for (%)	Affiliation not applied for (%)
Andaman & Nicobar islands	0	100	0
Andhra Pradesh	0	11	89
Assam	0	0	100
Chhatisgarh	0	22	22
Delhi	0	0	100
Goa	0	14	57
Gujarat	7	40	48
Haryana	0	8	75
Himachal Pradesh	38	25	25
Jharkhand	0	33	33
Karnataka	0	17	73
Kerala	0	6	94
Madhya Pradesh	3	17	56
Maharashtra	11	28	61
Nagaland	0	0	100
Orissa	0	22	44
Punjab	3	10	51
Rajasthan	0	0	100
Tamil Nadu	0	19	55
Tripura	0	0	0
Uttarakhand	100	0	0
West Bengal	0	38	63
India	5	21	62

### SETTING UP OF ITWs UNDER VTIP

Under the Project 10 Instructor Training Wings (ITWs) are being set up in selected ITIs, to cater to the demand pattern. 10 ITWs have been identified in 10 States i.e. Gujarat, Orissa, Uttar Pradesh, Karnataka, Andhra Pradesh, Kerala, Uttarakhand, Maharashtra, Punjab and Madhya Pradesh. There is total allocation of Rs. 35.46 cr. against which Rs. 18.64 cr. has been released so far under the Project.

The demand for trained instructor is huge as compared to gross capacity of instructor training in DGE&T field institutes. During 37th meeting held in October 2008, NCVT approved introduction of modular pattern of Crafts Instructor Training Scheme (CITS) in place of conventional one year training in institutions under DGET i.e. ATIs at Kolkatta, Mumbai, Kanpur, Ludhiana, Hyderabad and CTI Chennai. These institutes introduced modular pattern of CITS w.e.f August 2009. Accordingly ITWs were also designed to conduct instructor training on modular pattern CITS. The details on fund allocation / releases to the States for setting up of ITWs under modular pattern of CITS is tabulated below:

#### Release of funds for setting up of Instructor Training Wing (ITW) under World Bank assisted VTIP

(Amt. in Rs. lakhs)								
S.N o.	Name of the State	Location of ITW	Funds allocation	Central fund allocation	Release of central funds during FY	Funds released (1st inst.) / Date of release	Funds released (2nd inst.)	Total central share released
1	Gujarat	Dashrath	350	262.5	FY 09-10	106.8 29.03.2010		106.8
2	Orissa	Talcher	350	262.5	FY 09-10	178.2 31.03.2010		178.2
3	Uttar Pradesh	Sultanpur	350	262.5	FY 09-10	142.8 31.03.2010	35.7 30.03.2011	178.5
4	Andhra Pradesh	Vishakhapatnam (old)	350	262.5	FY 10-11	133.8 2.06.2010		133.8
5	Karnataka	Davangere	350	262.5	FY 10-11	170.4 26.08.2010		170.4
6	Maharashtra	Panvel	496	372	FY 10-11	168 09.12.2010		168
7	Kerala	Malampuzha	350	262.5	FY 10-11	179 17.01.2011		179
8	Uttarakhand	Haridwar	250	187.5	FY 10-11	96 31.12.2010	24 30.03.2011	120
9	Punjab	Lalru	350	262.5	FY 10-11	81 31.03.2011		81
10	Madhya Pradesh	Bhopal (Gas Rahat)	350	262.5	FY 11-12	82.2 16.08.2011		82.2
	Total funds released		3546	2659.5		1338.2	59.7	1397.9

Note : \*\*1<sup>st</sup> installment is 80% of central share of Year 1 and 2<sup>nd</sup> installment is 20% of central share of

Year 1

During 39th meeting held in January 2011, vide Agenda item no. 3903.9, NCVT approved guidelines for setting up of Institute for Training of Trainers (IToT) / Instructor Training Wings (ITWs) and for conducting training program under CITS. It was decided that such institutes were to be affiliated to NCVT so that trainees after completion of training are trade tested and successful trainees could be awarded Craft Instructor Certificates under the aegis of NCVT. Guidelines were issued in April 2011 and were revised in November 2011. The revised guidelines had implications on setting up of ITWs. A meeting was held on 1st Feb. 2011 to resolve the following issues:

	Issues as per revised guidelines for IToT/ITW	ITW	Implications/agreed suggestions
1.	Exclusive Workshop for TT1	Workshop of affiliated unit of CTS was being upgrated for conducting training under CITS in one shift.	<ul style="list-style-type: none"> <li>New / separate Workshop with 20% enhanced space norms</li> <li>New equipment</li> <li>Exclusive trainer for TT1 module</li> </ul>
2.	Curricula completely revised for TT2 module with additional inputs.	-	<ul style="list-style-type: none"> <li>New W/S with enhanced space norms</li> <li>New equipment for TT2 module.</li> <li>Exclusive trainer for TT2 module.</li> </ul>
3.	2 units each of TT-I and TT-II of relevant trade / trade group are to be affiliated	Enhanced Seating capacity. (At least 40 admissions per trade.)	It has been agreed to commence courses for 1 unit each of TT-I & TT2 module.
4.	Staff requirement	Instructional Posts were to be either created / upgraded.	More instructional posts / support staff required to be created like a full-fledged Institute.

With above implications, IDPs were to be revised. For providing technical support on preparation of revised IDPs, DGE&T deputed mentors to each State. The States have now furnished revised IDPs and action Plan, indicating Trainer's position. As per revised IDPs, the fund requirement is Rs. 117.06 cr. with seating capacity of 2940 instructor trainees (approx), completing 4 modules under CITS. The details are tabulated below.

Implementation period is 3 years – broadly 2 years for infrastructure development including creation of posts / filling up of posts and 1 year after commencement of courses. The business plan can be submitted after revised IDPs are approved.



## REVISED IDPs FOR ITWS / ITOTs FROM THE STATES

S.No.	Name of the State	Location of ITW	Funds allocation (In Rs. Lakh)	Central fund allocation (In Rs. Lakh)	Fund requirement as per revised IDP (In Rs. Lakh)	Minimum seating capacity on modular pattern / no. of trades	Status on Instructional Posts	Remarks
1.	Gujarat	Dashrath	350	262.5	1600 (ITOT)	320 ( 4 trades / 4 units each of 4 modules)	16 posts proposed for creation	New Bldg. construction – cost Rs. 12 cr.
2.	Orissa	Talcher	350	262.5	1101 (ITOT)	340 ( 5 trades)	17 posts of T.O required . 9 contractual posts approved.	New Bldg. construction – Rs. 4 cr. for Civil Works
3.	Uttar Pradesh	Sultanpur	350	262.5	490	240 (4 trades)	Creation of 20 trainer posts and up-gradation of Principal post – proposal with the State Govt.	
4.	Andhra Pradesh	Vishakhapatnam (old)	350	262.5	350	200 (3 trades)	10 posts of T.O available	
5.	Karnataka	Davangere	350	262.5	1335	240 (4 trades / 5 units)	12 posts of T.O created. 1 post of JD to head the ITW.	Rs. 6 cr. for construction of hostel building (92 capacity )
6.	Maharashtra	Panvel	496	372	2810 (ITOT)	480 (6 trades)	24 posts of T.O required. /additional post will be sanctioned and filled up.	Meeting held at the level of Director (Training)/ Change of location to Lonawala..
7.	Kerala	Malampuzha	350	262.5	2696 (ITOT)	440 / 540 (6 trades)	22 posts of T.O assessed. 8 posts required as support staff	SSC meeting held and approved
8	Uttarakhand	Haridwar	250	187.5	320	240 (3 trades)	10 posts will be upgraded to T.O level in 3 months.	Renovation work (C/R, W/S and hostel) already done
9	Punjab	Lalru	350	262.5	554.62	320/ 520 (4	17 posts of	Construction of

**Annex 4**

						trades)	T.O and 33 other posts proposed.	TT2 block, ITW wing and Hostel building
10	Madhya Pradesh	Bhopal (Gas Rahat)	350	262.5	450	120 (3 trades)	1 post of Director and 8 posts of lecturer created	
	Total funds released		3546	2659.5	11707	2940		

## Procurement

### 1. General

The procurement in the project is largely handled at ITI level following shopping procedure and at the state SPIU level following NCB and shopping procedures. As part of JRM, the mission looked at the status of procurement of goods and progress of Civil Works. The mission noted that each ITI has prepared its procurement plan and the SPIU and NPIU had the approved consolidated procurement plans. The approved procurement have been published in the NPIU and SPIU websites. The ITI Principals are empowered with delegation of powers to procure up to INR 900,000 and supervise quality of civil works. The NPIU procurement staff has undergone procurement training at ASCI, Hyderabad.

### 2. Follow up on AM of Fourth JRM :

The following agreed actions are still pending:

- Hiring of Implementation Support Consultant (ISC) by NPIU. The mission was informed that negotiations with the ISC failed and the process was therefore terminated.
- Publishing of contract wise physical and financial progress, complaint handling mechanism, list of contracts and NCB contract awards in respective SPIU and NPIU websites.
- Comments on the deviations identified during Post Procurement Review (PPR) FY 10 and PPR FY 11 are to be submitted to the Bank.
- Publication of complaint handling mechanism in the NPIU website.

### 3. Procurement Plan:

The mission compliments the NPIU for submitting procurement plans for all SPIUs and NPIU. All SPIUs have approved procurement plans. As on the mission dates, there were no outstanding Procurement Plans yet to be approved.

### 4. State-wise Status of Civil Works and Procurement of Machine/Equipments :

The following status is based on the information shared during the JRM at Raipur, Chennai and Delhi.

Name of the State	Status of Pending Civil Works	Status of procurement of machine/equipment
Bihar	Pending in three ITIs	30-40% procurement pending
Chattisgarh	Pending in 8 ITIs which will be completed by Dec. 2012.	20% procurement pending, will be completed by June-July 2012.
Jharkhand	Pending in 3 ITIs which will be completed by May 2012.	
Madhya Pradesh	Pending in 8 ITIs which will be completed by Aug 2012.	10% procurement pending
Orissa	Pending works only for Trade Upgradation Workshops of ITI, Bhubaneswar, ITW and Incentive Fund.	Revised allocation of INR 35.00 lakhs proposed to NPIU for completion of procurement of goods.

Haryana	Pending in 8 ITIs which will be completed by March 2012.	5-10% procurement pending
Himachal Pradesh	Except ITI Rong Tong where works is yet to be started, all others are in advanced stage of completion.	25-30% procurement pending
Punjab	75% pending in ITI Quaidian, ITI Gharshankar and ITI Kalanaur	Supply order to be placed before 31 <sup>st</sup> March 2012 for amount INR 4.08 Cr.
Rajasthan	100% Civil works completed	Barmer, Chemical Kota, Women Kota and Sriganganagar 40% procurement pending
Uttar Pradesh	10-20% civil works Pending in 2 ITIs	20% pending in 4 ITIs (by June 2012)
Uttarakhand	5% civil works pending	Approx. 10% procurement pending
Andhra Pradesh	Pending in 9 ITIs, contracts not yet awarded in 2 ITIs	
Karnataka	Pending in 12 ITIs out of 26 ITIs	All procurement expected to be completed by March 2012
Kerala	Pending in 2 ITIs which will be completed by March 2012	Pending procurement of revised IDP will be completed by June 2012. Malampuzha-60% pending, Kalpetta – 40% pending, Aryanadu-32% pending.
Tamil Nadu	Pending in 4 ITIs which will be completed by June 2012	All procurements including NCBs expected to be completed by June 2012.

## 5. Procurement Capacity Building:

The ITI principals and SPIU staff have undergone procurement training at NIFM. The SPIU procurement staff has undergone procurement training at ASCI, Hyderabad. It was observed that during the implementation of the project the NPIU and the SPIUs have built reasonable procurement capacity.

## 6. Procurement Post Review:

For FY12 Procurement Post Review (PPR), 13 States have been selected out of which PPR field review for five (05) States are pending, namely, Uttar Pradesh, Himachal Pradesh, Chattisgarh, Jharkhand and Sikkim. The PPR in these 5 States shall be done by end of May 2012. The PPR reports for FY12 shall be shared with NPIU and respective SPIUs by end of June 2012.

The Risk Mitigation Action Plan shared along with PPR reports for FY 10 and FY 11 are still pending. The NPIU has agreed to co-ordinate and send the consolidated status of Action Plan to Bank by end of May 2012.

The detailed status of PPR for FY 10, FY 11 and on-going FY 12 is given below :

Sl. No.	States	FY12			FY 11		FY 10	
			Period of Review	Field Review Completed		Period of Review		Period of Review
1	Andhra Pradesh	√	July 1, 2009 to June 30, 2011	√			√	July 1, 2008 to June 30, 2009
2	Assam				√	July 1, 2009 to June 30, 2010		
3	ATI Chennai	√	Project beginning to June 30, 2011	√				
4	ATI Kanpur				√	July 1, 2009 to June 30, 2010		
5	Bihar	√	July 1, 2010 to June 30, 2011	√	√	from Inception to June 30, 2010		
6	Chhatisgarh	√	July 1, 2008 to June 30, 2011					
7	Delhi				√	July 1, 2009 to June 30, 2010		
8	Goa				√	from inception to June 30, 2010		
9	Gujarat	√	July 1, 2009 to June 30, 2011	√			√	July 1, 2008 to June 30, 2009
10	Haryana	√	July 1, 2009 to June 30, 2011	√			√	July 1, 2008 to June 30, 2009
11	Himachal Pradesh	√	July 1, 2009 to June 30, 2011				√	July 1, 2008 to June 30, 2009
12	Jharkhand	√	July 1, 2010 to June 30, 2011		√	from Inception to June 30, 2010		
13	Karnataka	√	July 1, 2009 to June 30, 2011	√			√	July 1, 2008 to June 30, 2009
14	Kerala				√	July 1, 2009 to June 30, 2010		
15	Madhya Pradesh				√	July 1, 2009 to June 30, 2010	√	July 1, 2008 to June 30, 2009
16	Maharashtra				√	July 1, 2009 to June 30, 2010	√	July 1, 2008 to June 30, 2009
17	Orissa						√	July 1, 2008 to June 30, 2009
18	Punjab				√	July 1, 2009 to June 30, 2010	√	July 1, 2008 to June 30, 2009
19	Rajasthan	√	Project beginning to June 30, 2011	√				

20	Sikkim	√	Project beginning to June 30, 2011					
21	Tamil Nadu	√	July 1, 2009 to June 30, 2011	√			√	July 1, 2008 to June 30, 2009
22	Tripura				√	from Inception to June 30, 2010		
23	Uttar Pradesh	√	July 1, 2009 to June 30, 2011				√	July 1, 2008 to June 30, 2009
24	Uttarakhand				√	July 1, 2009 to June 30, 2010		
25	West Bengal				√	July 1, 2009 to June 30, 2010		

### 7. Complaint Handling:

There are no outstanding complaints in the Bank's project compliant database. As agreed during last Mission, NPIU is yet to develop improved complaint monitoring system and communicate to the Bank for review and then publish the same in NPIU website. Further it was agreed to furnish quarterly compliant monitoring report to the Bank. These actions are not completed.

### 8. Disclosure Management:

The NPIU and SPIU websites have published the approved Procurement Plans (PP). However, the publication of details of award of contracts is still pending. Since, this is a deviation to the mandatory disclosure management agreed for the Project, the NPIU has confirmed that the same shall be done by end of April 2012.

### 9. List of key actions to be taken in the next 6 months:

- Ensure disclosure of approved Procurement Plans, contract wise physical and financial progress, complaint handling mechanism, list of contracts and NCB contract awards in many SPIU and NPIU websites by June 30, 2012.
- Submit comments on the deviations identified during PPR FY 10 and PPR FY 11 by July 30, 2012 to the Bank.
- Publish complaint handling mechanism in the NPIU website by April 30, 2012.
- Complete procurement of all equipments by June 2012.

### 10. Rating for Procurement Performance:

Thus overall, the procurement performance during the period of review has been rated as Moderately Satisfactory (MS). The above assessment is based on; (i) completion of approximately 80% of the procurements planned; (ii) 100% preparation and public disclosure of approved procurement plans on NPIU website and consolidated procurement plans on each SPIU website; (iii) sharing the draft Asset Verification Report with Bank; (iv) procurement capacity building of NPIU and SPIU procurement staff and ITI Principals, and (v) no outstanding procurement complaint. The rating shall be reviewed again, during the next mission, vis-à-vis the procurement performance and agreed actions for next 6 months.

## **Financial Management**

### **Disbursement, Budget**

Out of total project allocation of SDR 185.10 million, disbursement as on April 12, 2012 is SDR 97 million. This signifies disbursement of 52 of the credit.

### **Overall Status of Release and Expenditure**

As per information provided by MoLE, out of total allocation of Rs. 1329 crores for states, total Rs. 842.29 crores of central funds have been released to date. Out of total fund of Rs. 1115.78 crores released to states (central plus state share), expenditure as per December 2011 IUFR is Rs. 903.55 crores, which is 68% against allocation and 81% against releases.

### **State Reviews**

The FM team joined review of 3 states in Chennai, 7 North-Eastern states in Shillong, and 6 Northern states in Delhi. The common issues observed/ discussed were as follows:

- Large number of pending audit paras in most states e.g., Assam and Rajasthan.
- Many states have to incur substantial expenditure in next financial year for civil work and equipment e.g., Haryana, Punjab and Rajasthan.
- Low expenditure on 'Other' component, which includes instructor' fees, training etc.
- Some states have not provided state share in a timely manner e.g., Uttarakhand
- Some states do not have dedicated finance in SPIU e.g., Punjab

State need to take urgent action on pending activities, and follow-up with the AG for pending audit paras. States would also benefit if NPIU could reissue guidelines for utilizing expenditure under Component 'Other' on activities which can be taken up as eligible expenditure under the project.

### **IUFR submission – now timely**

Interim Unaudited Financial Reports (IUFRs) are required to be submitted by the States to MoLE and then in turn to the Bank within 45 days of close of each quarter. The improvement in timeliness of IUFRs observed by the last mission was sustained in the last few quarters. During FY 2011-12, IUFRs for quarters of Apr-June, July-Sep and Oct-Dec were submitted within 35 days, 44 days and 40 days respectively.

### **Review of expenditure in Maharashtra**

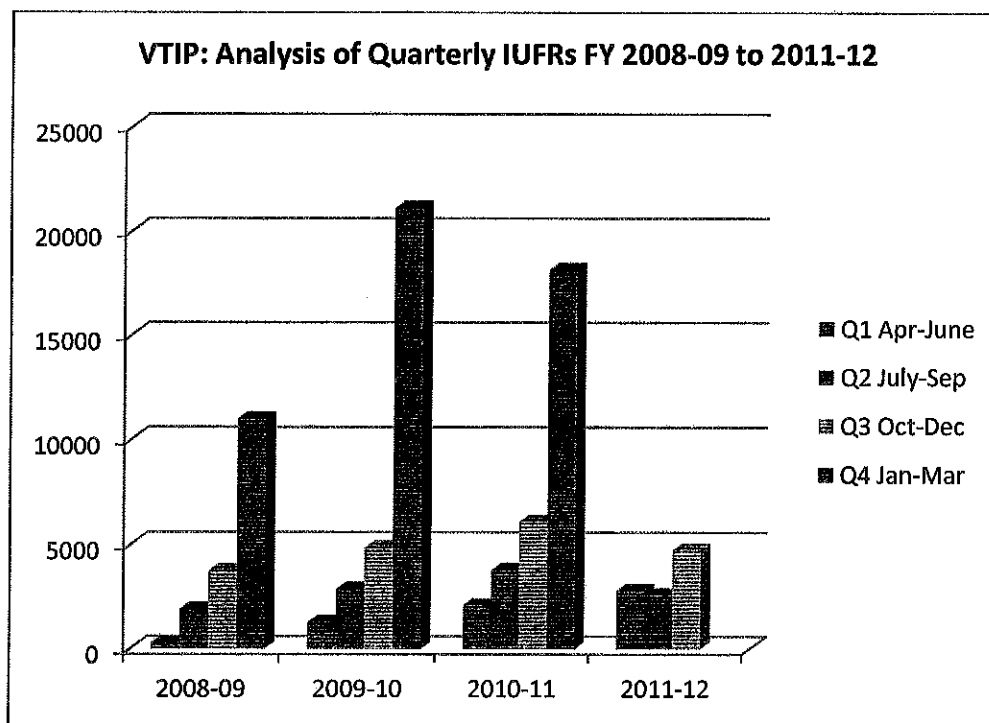
After the inability of GoM to be able to conduct a special review, the MoLE has now taken on the responsibility of conducting special review of expenditure in that state from project commencement. This was a result of a visit to Mumbai made jointly by the World Bank and MoLE in January 2012. REOIs for the work have been issued by the MoLE. The contract needs to be awarded by June 30, 2012.

### **Expenditure in Last Quarter of Financial Year**





Analysis of quarterly expenditure for FY 2008-09 to FY 2010-11 shows low expenditure in the beginning of the year and bulk of expenditure (60-70%) in the last quarter. Expenditure in Jan-Mar quarter was 65%, 70% and 60% respectively in FY 2008-09, FY 2009-10 and FY 2010-11. In FY 2011-12, 6 North-Eastern states had nil expenditure in all three quarters till date. This bunching can impact the quality of expenditure.



## Annual Audit

### Timeliness of Audit

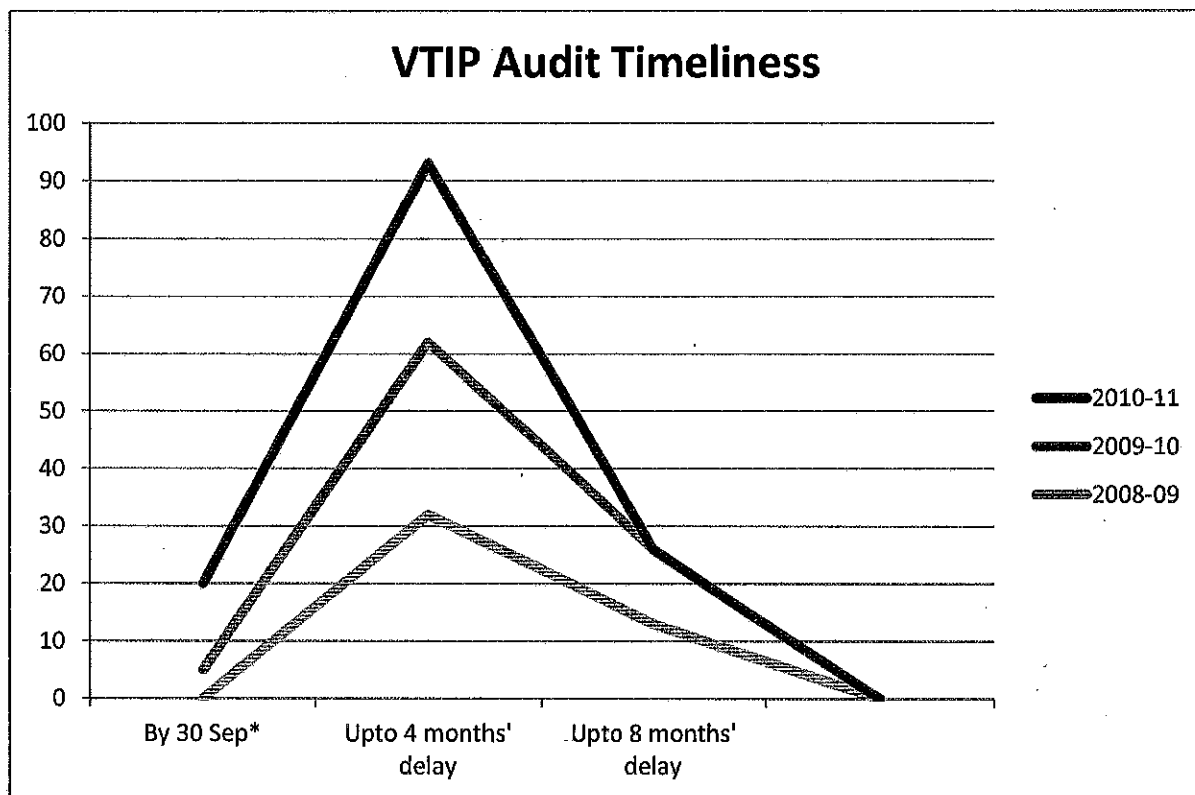
All audit reports for FY 10 – 11 have been received by the Bank, except the state of Assam. The due date for receipt is Sept. 30 of each year. For FY 2011-12, out of 48 report due, a total of 15 reports were received by September 30 (31%) and 31 reports by January 31 (65%) i.e., up to 4 months' delay.

Audit timeliness has improved over the years, as shown in the following table and diagram:

### Analysis of Timeliness of Audit Reports FY 2008-09 to FY 2010-11

	<u>By 30 Sep*</u>	<u>Upto 4 months' delay</u>	<u>Upto 8 months' delay</u>
<u>2008-09</u>	<u>0</u>	<u>32</u>	<u>13</u>
<u>2009-10</u>	<u>5</u>	<u>30</u>	<u>13</u>
<u>2010-11</u>	<u>15</u>	<u>31</u>	

\* For 2009-10 5 reports were received on 5 Oct 2010



#### *Audit report for FY 2011-12*

The report is due on 30 September, 2012 and NPIU/states/CFIs must ensure that accounts are ready for timely audit by the AG. Also every effort should be made to provide necessary compliance to the auditor for pending audit paras.

#### *Key Issues in Audit Reports*

Review of audit reports for FY 2010-11 showed the following key observations in the audit reports: (a) irregular drawl and non-utilization of funds during financial year for machinery and equipment; (b) unadjusted advance with PWD for civil works; (c) non-production of records; (d) irregularities in procurement; and (e) large difference between expenditure claimed in IUFRs and expenditure submitted for audit in case of some states.

#### *Audit Disallowance*

The attached table lists down the audit disallowances made by the C&AG in various audit reports over the years (Rs. 1687 million). The states/ MoLE need to make their best efforts to ensure that the disallowances are recertified to the best extent possible and at the earliest possible.

**VTIP – Audit Disallowances on the Project**

S. No.	Name of State/UT/CI	Expenditure Disallowed by Audit				
		2006-07-8 2007-08	2008-09	2009-10	2010-11	Total
	<b>States</b>					
1	Andaman & Nicobar	-	-	0.02	-	0.02
2	Andhra Pradesh	-	5.55	5.42	1.08	12.05
3	Arunachal Pradesh	-	2.41	0.52	0.49	3.42
4	Assam	-	-	-	-	-
5	Bihar	1.52	0.47	-	8.07	10.06
6	Chhattisgarh	14.11	0.14	0.02	0.08	14.35
7	Delhi	-	0.25	-	-	0.25
8	Goa	1.74	-	-	-	1.74
9	Gujarat	3.23	1.81	0.01	-	5.06
10	Haryana	10.34	25.83	4.81	3.63	44.61
11	Himachal Pradesh	-	0.27	15.89	45.92	62.07
12	J&K	-	-	-	8.83	8.83
13	Jharkhand	-	0.06	0.03	0.04	0.12
14	Karnataka	2.93	44.91	177.52	47.16	272.52
15	Kerala	-	25.43	-	15.24	40.67
16	Lakshadweep	-	-	-	-	-
17	Madhya Pradesh	3.45	-	-	-	3.45
18	Maharashtra	52.39	297.19	135.71	99.64	584.92
19	Manipur	-	-	-	0.07	0.07
20	Meghalaya	-	-	-	3.47	3.47
21	Mizoram	-	-	-	1.21	1.21
22	Nagaland	-	0.15	0.96	-	1.11
23	Orissa	0.01	75.19	0.02	1.67	76.88
24	Puducherry	-	-	-	3.00	3.00
25	Punjab	6.33	161.29	62.16	23.65	253.43
26	Rajasthan	-	-	-	25.91	25.91
27	Sikkim	0.10	-	9.21	-	9.31
28	Tamil Nadu	0.02	0.06	-	1.66	1.74
29	Tripura	-	-	-	-	-
30	Uttar Pradesh	-	87.00	1.79	14.35	103.15
31	Uttarakhand	-	-	51.19	14.64	65.83
32	West Bengal	4.48	4.79	7.32	7.82	24.40

	CFI					
33	Apex-Hi-Tech Bangalore	0.33	0.03	0.01	0.57	0.94
34	ATI Chennai	7.58	0.28	0.33	0.39	8.58
35	ATI Howrah	-	1.30	-	-	1.30
36	ATI Hyderabad	-	2.95	0.01	0.76	3.73
37	ATI Kanpur	0.15	-	-	0.23	0.38
38	ATI Ludhiana	5.82	3.69	2.73	1.00	13.24
39	ATI Mumbai	-	6.52	-	-	6.52
40	ATI-EPI Dehradun	1.39	-	0.35	-	1.74
41	ATI-EPI Hyderabad	2.29	1.30	0.88	0.28	4.74
42	CSTARI Kolkata	-	-	0.57	1.07	1.64
43	CTI Chennai	-	-	-	-	-
44	FTI Bangalore	6.04	1.50	-	-	7.53
45	NIMI Chennai	0.01	-	0.18	0.03	0.22
46	NPIU	0.69	-	-	1.88	2.56
47	NVTI Noida	-	-	-	0.44	0.44
		124.92	750.35	477.66	334.27	1,687.19

### FM Capacity

FM Unit in NPIU is staffed with a Joint Director; an Assistant Director; an Accounts Officer; an Assistant Accounts Officer; and two support staff in clerical grade.

### Disclosure of Information

This requirement is not complied with consistently and uniformly by the NPIU, and the same observation was made by the last mission. As of mid March 2012, IUFRs for period till March 2011 are displayed on the website of DGE&T, whereas IUFR for each quarter is to be displayed within 45 days of the end of the quarter. Annual Financial Report for FY 2010-11 has not been displayed by NPIU, including information on releases to states on DGE&T website.

### Environment Management and Safeguards

1. The key objective from the environment management and safeguards perspective during the mid-term review was to assess the adequacy and quality of the implementation of Environment Management Framework (EMF) in the project. The mission primarily focused on the following: (a) review of the implementation of Campus Environment Management measures in the participating states, including the status of institutional arrangements made to facilitate this; (b) status of integration of environment, health and safety (EHS) aspects into the course curriculum; and (c) Independent Audit of the EMF implementation.
2. The over-all environmental safeguards and management in the project is being rated 'satisfactory' in the light of the efforts made by NPIU and the encouraging performance shown by some of the states. From a scenario, when the concept of campus environmental management was quite weak (or even barely existing in some states) and its linkage to learning and teaching objectives was largely over-looked during the project preparation and the first year of its implementation, there has been a gradual but steady improvement in the over-all level of awareness and understanding on environment management issues and increasingly efforts are being made to improve compliance with EMF requirements. Most of the tasks/activities identified (other than a couple of actions identified in this annex) during the previous mission/s have been completed or are progressing satisfactorily. The following text describes the over-all status and progress on EMF compliance in the project:

#### *Campus Environment Management*

3. An increased level of awareness about the purpose and the requirements to fulfill EMF objectives has been observed among most SPIUs and many participating ITIs. In most states, State Environment Officers have been designated; initiatives towards improved campus environment management have been taken and; training programs have been organized to build awareness and capacity at the institute level (ITIs).
4. In terms of quality of EMF implementation/compliance, states such as Gujarat, Punjab, Maharashtra, Goa and Karnataka are clearly better performers in the said area in comparison to other states in the country. It was agreed that further efforts will be made towards improved campus environment management measures, particularly in states such as Uttar Pradesh, Orissa, West Bengal, Andhra Pradesh and Chattisgarh, with particular emphasis to sanitation, water supply, fire safety, use of personal protective equipment (PPE) and waste management.
5. Implementation of campus environment management measures during construction and repair/refurbishment works in the better performing states has by and large taken into account: (a) proper light and ventilation in classrooms and workshops; (b) appropriate sanitation arrangements; (c) proper display and storage of materials, tools, machinery and equipment; (d) landscaping and plantation; (d) display of charts and specific safety tools/equipment associated with a particular trade and (e) maintenance of an over-all satisfactory hygiene and cleanliness in the campus.
6. In Gujarat and Punjab, commendable effort has been made by the concerned SPIUs and good campus environment practices have been extended to institutes beyond the ITIs participating in the project. In Gujarat, some of these practices include the preparation of tree plantation plans in co-ordination with the State Forest Department; tree plantation and

maintenance within ITI campus by involving students; improved material management (raw materials, tools etc.); awareness regarding safety practices; formulation of model civil works development plan; upgrading of drinking water and sanitation facilities; improvement in entry points and internal circulation paths; and organization of sensitization and training workshops for students and staff of ITIs on climate change and environmental protection (for which training support has also been provided by the Bank team at the state's request in the initial phase to facilitate a larger roll-out of the same).

7. While most SPIUs have informed that the concerned state architect and/or PWD regarding the EMF requirements to be followed during the design and construction stages of civil works for new buildings/blocks, the mission re-iterated that close monitoring from SPIUs should continue and regular cross-checking should be done to ensure that the concerned line agencies comply with the EMF requirements.
8. The mission suggested NPIU to help the SPIUs in developing good practice notes, including some case studies to demonstrate the process adopted to achieve the above mentioned results. Apart from helping the 'EMF documentation' for the project, this will serve as guidance material for other states to learn and replicate from. Some of the basic inputs for this task would also emerge from the findings of the independent environment audit study, which is currently under-way.

#### *Integration of EHS aspects in curriculum*

9. Another important component of the Environment Management Framework deals with the integration of environment, occupational health and safety (EHS) aspects into the curriculum, which is one of the first such attempts in the vocational training sector of the country. The aim is to make skill training comprehensive by meeting industry/market expectations through functional/practical knowledge on occupational health and safety aspects that can be applied in the workplace. This activity is being carried out through Central Staff Training and Research Institute (CSTARI), based in Kolkata. While the process (covered in the earlier mission notes) for doing so remains quite time consuming, challenging and continuous, an attempt and a beginning to do so has been made under the project.
10. Environment, occupational health and safety risks/hazards associated with a particular activity/work along with preventive/avoidance and mitigation/management measures are being introduced in the trade specific modules. The actual time allotment and coverage of EHS aspects depends upon the level of risks and hazards associated with the specific trade or activity. For the 'practical' classes, the integration of EHS aspects is being proposed as a part of floor training itself and therefore specific time allotment towards this end is not being considered. However, in some states, as part of soft skills training, topics on occupational safety have been introduced for increasing the level of awareness among students.

#### *Independent Environment Audit*

11. An Independent Third Party Audit Study for civil works and EMF implementation was to be carried out prior to the mid-term review, the results from which were expected to form the backbone of discussion with states during the review mission. However, with some delay the NPIU has completed all the procurement formalities and the consultant for the said study is now on-board. The consultant has submitted an Inception Report recently and the audit work has been initiated. The results from the independent audit study will now be

used for comprehensive discussion and review with the participating states during the next implementation support mission.

12. The two key objectives of this assignment are: (a) to review the quality of civil works undertaken by the project institutions and; (b) assess the nature and extent of EMF compliance in the project and to use the findings towards improving the over-all project objectives through an improvement in the quality of learning and teaching environment in the ITIs.
13. Towards this end, the mission met the selected consultants along with NPIU officials and explained in detail the expectations, approach and requirements of the independent audit assignment (the first of its kind for the vocational training sector in the country) to review the environmental performance of the project. Under this assignment, a detailed review of the nature, extent and quality of compliance with regard to civil works and environment management aspects (particularly focusing on campus environment management measures) in the project supported ITIs will be carried out. The study will also help in identification of good practices and deficiencies in the existing system, which would be eventually used for wider dissemination to facilitate improvement through replication and learning of lessons.

