

INDIA: Vocational Training Improvement Project (Cr. 4319-IN)

Sixth Joint Review & Implementation Support Mission (November - December, 2012)

Aide-Memoire The World Bank

I. Introduction

1. A World Bank team¹ jointly with the Directorate General of Employment & Training (DGE&T), Ministry of Labor and Employment (MoLE) team undertook the Sixth Joint Review and Implementation Support Mission (JRISM) during November-December, 2012. During the Mission, two regional review meetings with the states, one on November 1-2 and another on November 8-9 were conducted. All the states and Union Territories, except Delhi, Gujarat and some north-eastern states/UTs participated in the review meeting. Progress of CFIs was reviewed in Delhi on December 04, 2012. A consultation meeting with the states on the Institute of Training of Trainer (ITOT) was held on October 30, 2012. State and institution level review was conducted in Odisha on November 21-23, 2012. The Mission was concluded with the wrap-up meeting held on December 7, 2012 which was chaired by the Secretary, MoLE, and attended by the Director General and the National Project Director, the National Project Coordinator, and other officials from the Ministry of Labor and Employment, senior officials from the States and Union Territories (UTs), and Centrally Funded Institutions (CFIs). Representatives from the Planning Commission and Industry Associations, Confederation of Indian Industries (CII) and the Associated Chambers of Commerce and Industries in India (ASSOCHAM) also participated in the wrap up meeting.
2. The key objectives of the Mission were to: (a) review progress towards Project Development Objectives, (b) review implementation progress on all components and sub-components of the project, (c) draw up action plan for completion of incomplete tasks for consolidation of project gains, further improvement of quality of vocational training and improve project outcomes, and take steps to ensure sustainability of COE and other reforms implemented under the project, (d) review implementation of fiduciary and safeguard arrangements, (e) share of findings of the Mid-Term Review (MTR) studies' (Management Review, Asset and Civil Works Audit and Tracer Studies), and (f) agree on time bound actions plan for implementation in the next 6 to 8 months, subject to approval of extension of project closing date.
3. The World Bank task team gratefully thanks the Secretary, MOLE, for chairing the wrap up meeting and providing his valuable guidance. The Mission deeply appreciates the cooperation, guidance, and able leadership provided by Mr. Sharda Prasad, Additional Secretary/Director General and the National Project Director, MoLE, who led the review meetings with the states/UTs and the CFIs. The Mission thanks Mr. R. P. Dhingra, Director (Projects), the National Project Coordinator, Mr. R. L. Singh, Deputy Director General (Training), Mr. T. C. Saravanabava, Deputy Director General (Apprenticeship) and other National Project Implementation Unit (NPIU) officers for their efforts in organizing, facilitating, and participating in the review mission. The mission is grateful to the Government of Odisha for hosting a state-level review, and the Principals of the ITIs for their valuable participation in the same. The mission also thanks all the State Secretaries/Commissioners/

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Directors/Joint Directors and other officials responsible for vocational training, and the officials from the CFIs for making this mission productive.

II. Key Project Data

			<i>Last August 2012</i>	<i>Now December 2012</i>
<i>Board Approval</i>	June 5, 2007	Achievement of PDO	MS	MS
<i>Effectiveness Date</i>	December 17, 2007	Implementation progress	S	S
Original Closing Date	December 31, 2012	Problem Flags -Project Management -Procurement -Financial Management	S MS MS	S MS MS
Revised Closing Date	November 30, 2014			
MTR Date	June 2011			
Revised Credit Amount	-			
Project Age	5.6 years			
% Disbursed	53% as of December 31, 2012			

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

III. Proposed Extension of Closing Date and Action Plan

4. In response to the GOI request for extension of closing date of the project, the Bank has extended the closing date from December 31, 2012 to November 30, 2014. The proposal submitted by the MOLE also entailed minor changes in Component 1 and corresponding changes in the results framework and the Financing Agreement, as well as reallocation of proceeds, all of which have been addressed to in the restructuring of the project. Under restructured Component 1, Institute of Training of Trainer (ITOT)- a full-fledged training of trainer institution will now be established in the place of Instructor Training Wing (ITW).
5. In order to harness fuller benefit of the project and ensure long term sustainability, the MOLE proposes to complete the following activities during the extended period.
 - a. All the Centre of Excellence (COEs) to be fully equipped and obtain National Council of Vocational Training (NCVT) affiliation.

- b. The first ever sector wide web-based Management Information System (MIS), which is in advanced stage of development, will be made fully functional and could be extended to cover all the states/Union Territories and public institutions; about 4500 personnel will be trained to use the MIS during the extension period.
 - c. About 5 to 10 Institutes of Training of Trainer (ITOTs) will be established under the state government as a part of the major reform of decentralizing training of trainer from the center to the state.
 - d. Majority of the new instructors appointed to teach Advance Module (AM) will be trained.
 - e. Training of all project ITI principals on "excellence in leadership" will be completed at Indian Institute of Management, Ahmedabad.
 - f. Capacity of Institutional Management Committee will be further strengthened to improve private sector participation in institutional management. The findings from field based reviews, implementation support missions, and the third party Management Review and Tracer Study suggest that if the project is closed without completing the remaining tasks as stated above, the COE model, which has great potential, will not yield the desired results, and reforms introduced under the project may not sustain.
6. The Mission recommends that during the extended period of the project, the focus got to be on improvement in quality of training, employment outcomes of the ITIs, and consolidation and sustainability of the gains. Hence, the Mission strongly recommends that only the on-going civil works are to be completed and no new major civil works in ITIs are to be started. Civil works for which national competitive bids have not been issued must be dropped. However, civil works only for ITOT will be allowed to be started.
7. The following action plan is agreed at the wrap up for implementation.

S. No.	Agreed Actions	Completion Date	Responsibility
1.	COEs and new CTS courses to apply for NCVT affiliation (completion of infrastructure, equipment purchase, creation and filling of instructor positions)	June, 2013	NPIU, SPIUs, ITIs
2.	Ensure clearance of Affiliation Applications	Within two months after the date of submission	NPIU, DGET
3.	Hiring of Mentor Institutions	March, 2013	NPIU
4.	Training of all Advanced Module Instructors including contract faculty	December, 2013	NPIU, SPIUs, ITIs
5.	Training of 400 ITI Principals	December, 2013	NPIU, SPIUs, ITIs
6.	Prepare guidelines and business plan for the establishment of Institute for	February, 2013	NPIU

S. No.	Agreed Actions	Completion Date	Responsibility
	Training of Trainers (TTOT)		
7.	Release TTOT funds to the states	March 31, 2013	NPIU
8.	Action Plan for operationalizing Specialized Module	April, 2013	NPIU, SPIUs
9.	Finalize Training, Placement and Counseling Cell (TCPCC) and Institutional Management Committee (IMC) Guidelines	April, 2013	NPIU
10.	MIS training of 4300 state and ITI personnel	July, 2013	NPIU and SPIUs
11.	Issue revised guidelines for Innovation Funds	February, 2013	NPIU
12.	Capacity building workshop on Fiduciary Management	April, 2013	NPIU
13.	Financial Management Action Plan: <ul style="list-style-type: none"> States and CFIs to submit Audit Reports for FY12 States to reconcile IUFs with Audit Reports Capacity enhancement of NPIU by hiring CA/ICWA Completion of Maharashtra Special Audit Recertification of all audit disallowances till FY 2010-11 and submission to the Bank 	<ul style="list-style-type: none"> April 30, 2013 April 30, 2013 February 28, 2013 July 31, 2013 October 30, 2013 	NPIU
14.	Terms of Reference for Training Needs Analysis and Training of DGET and SPIU officers	March, 2013	NPIU
15.	International training programs for center, state and ITI officials	October, 2013	NPIU

IV. Financial Progress:

8. *Disbursement:* The project has disbursed 53% as of November 30, 2012 of the total IDA allocation of USD 280 million. Expenditure amounting to INR 270 crore of Maharashtra has been withheld by the Bank on account of circumventing the agreed funds flow procedures of the project. The expenditure will be disbursed subject to satisfactory outcome of the special review being conducted by the NPIU. Amount to the tune of 168.7 crore has been disallowed by the audit for FY 2007-08, 2008-09, 2009-10, and 2010-11, out of which INR 23 crore has been recertified and disbursed by the Bank. . The states with substantial amount of audit disallowances are: Maharashtra (INR 58.49 crore), Karnataka (INR 27.2 crore), Punjab (INR 25.3 crore), U.P. (INR 10.3 crore), Orissa (INR 7.68 crore), Himachal Pradesh (INR 6.2 crore), and Uttarakhand (INR 6.6 crore).
9. Total central funds released by the MOLE till date is INR 979 crore out of the total central allocation of INR 1231 crore. 86% of the total released funds have been spent till September 2012. The low spending states are: Andhra Pradesh, Assam, Bihar, Chhatisgarh, Delhi, J&K, Lakshadweep, Meghalaya, and Rajasthan which have spent less than 60% of their total allocation.
10. *Reallocation among states and to other activities:* The mission proposes that project funds be reallocated from the above low spending states to those states that have performed well, and have shown interest and need for more resources to achieve higher, and to the activities such as ITOTs, to ensure both the full and effective utilization of project funds. States such as Assam, Andhra Pradesh, Bihar, Delhi and Rajasthan, despite intensive implementation support are still at a low level of expenditure, and are not likely to be able to spend their allocation even within the extension period, possibility resulting in funds cancellation. (State-wise expenditure status is provided in Annex 9 of this aide-memoire).

V. Progress on Key Performance Indicators and Project Activities

11. The tables below shows the progress made on the Key Performance Indicators and Intermediate Outcome Indicators for the project. Progress made on the full set of indicators in the results framework is provided in Annex 1. The data on current progress in the table belong to the nationally representative institutional and graduate-trainee tracer survey undertaken to assess the progress made by the project at mid-term. Data on academic progress for the year 2012-13 is under collection and will become available by January 31, 2013.

Key Performance Indicators

Key Performance Indicator	Baseline	Current value (As of February 2012)	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	All: 32.0%	All: 60% [#]	All: 50%

Key Performance Indicator	Baseline	Current value (As of February 2012)	End target
find employment within one year of finishing training, as compared to the baseline	Male: 33.4% Female: 18.7%	Male: 64% Female: 38%	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 3550	All: INR 3026

Key Intermediate outcome indicators

Key Intermediate Outcome Indicator	Output	Key Intermediate Outcome Indicator	Output
COE enrollment	125000+	Incentive Funds	Gujarat, Orissa and Madhya Pradesh have received one round of incentive funds
Instructors Trained	15000+	Innovation Funds	Karnataka
Principals trained for Leadership and Excellence	120	Policy Studies	<ul style="list-style-type: none"> Institutional and Tracer Study by Quality Council of India 2 National Vocational Qualifications Framework
Curricula Revised/Developed	21 Advanced Modules Curricula; Instructor Training Curricula developed by AHI*	Study Tours	Australia
Textbooks and IMM developed	IM, Question Bank,		

	Translation, Digitization, E-learning of 200 COE modules		
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*Apex Hi-Tech Institute

VI. Project Achievements

12. *Establishment of Centers of Excellence (COEs)*: Through the project 400 Industrial Training Institutes (ITI) located in 34 states and union territories of India have been supported for improving training delivery, quality of training and institutional changes that have further strengthened the employability of their trainees. In 311 ITIs, Center of Excellence in 21 industry sectors have been established, and in the remaining 89 ITIs, the project has provided resources for upgrading existing trades.
13. *Establishment of the Instructor Training Network*: Eleven Advanced Training Institutes (ATIs) have also been upgraded. They now offer Advance Module (AM) instructors training, refresher training and basic Craftsmen training. The Apex Hi-Tech Institute (AHI) in Bengaluru which is a Centrally Funded Institution is emerging as a nodal agency under the project, for coordinating instructor training and training of master trainers, and develop curricula on emerging technology for vocational training courses and for training of trainers.
14. *Strengthening of Resource Institutions*: Significant capacity improvement of two centrally funded institutes (CFIs), the Central Staff Training and Research Institute (CSTRI) located in Kolkata, and the National Institute of Media Instruction (NIMI) in Chennai, has been undertaken for curricula development/revision and development of text books, and teaching and training aids. Facilities in CSTRI have been upgraded. Capacity of NIMI has been substantially enhanced to prepare, print and distribute text books for COE sectors, develop question banks, and create e-learning and digitalized resources.

VII. Component-wise Implementation Progress

15. The project has three main components namely:
 1. Improving Quality of Vocational Training
 2. Promoting Systemic Reforms and Innovation, and
 3. Project Management, Monitoring and Evaluation

Component 1: Improving Quality of Vocational Training

16. *Up-gradation of ITIs*: Since inception, nearly 125000+ trainees have enrolled in 311 COEs set up in 21 trade sectors under the project. Many thousand more trainees have benefited due to the modernization of equipment and instructor training provided by the project.
17. *Internal efficiency (Pass rates in COEs)*: In most states, enrollment rates in COEs are quite high, and in 2010-11, the national enrollment rate in COEs in project ITIs was 87% (with supernumerary). In Maharashtra, for e.g., it is more than 100% while in most of the states (Andhra Pradesh, Delhi, Kerala, MP and Tripura it is more than 90%. As per the data of 2010-11, apart from states of Jharkhand, Tamil Nadu and West Bengal where the pass out rate is more than 90%, the passing rates in the other states are around 40-50%. In states like Rajasthan and Haryana, the pass out rate is quite low (24% and 37.6% respectively). However, the transition from BBBT to AM is generally satisfactory in most

states except Maharashtra and Jharkhand. Drop-out from BBBT has reduced marginally, and is expected to reduce even more as COEs become fully functional.

18. *External Efficiency (Employment Rate and Average Monthly Wages of COE pass-outs):* As per the Tracer Study carried out during Medium Term Review (MTR), the employment rate of COE pass-outs within 12 month of completing their training was 60%. Most pass-outs (around 70%) of COE find a job within one year of their graduation; still nearly a third take more than a year which is detrimental towards their age-wage-working profiles. Most COE pass-outs who are employed (96%) work in the private sector than one year for placement. Average monthly wages earned by COE pass outs are around Rs.3800+ per month in real terms (with 2005-06 as the base year), and Rs.5600+ in nominal terms.
19. A majority of ITIs that have set up COEs have also upgraded existing or introduced new trades as part of the program of the total up-gradation of ITIs. Except for some project ITIs in Himachal Pradesh and Bihar, all states have completed or will complete civil works by March 2013. Similarly, except for West Bengal and Jammu Kashmir, procurement of equipment and machinery will be completed by all project ITIs by December 2012. Annex 2 lists (a) key state level issues with respect to project implementation and (b) the status of civil works and equipment purchase, respectively.
20. *Principals and Instructors:* There has been a decline in the share of full-time Principals with independent charge in some states where their lack detrimental to the functioning of ITIs. States with less than satisfactory share of full-time Principals include Maharashtra (70%), Tamil Nadu (80%) and Punjab and Himachal Pradesh (90%). While many states have created all the required AM instructor positions and amended recruitment rules for the same, some major states continue to lag behind in this regard. Detailed ITI level data is in the process of being collected. Based on the data available from the state presentations during the review, the states that still need to create instructor positions include (percentages in parentheses are sanctioned against requirement): Punjab (15%), Assam (15%), Andhra Pradesh (60%), Haryana (72%), West Bengal (80%) and Goa. The hiring of AM instructors also continues to be patchy under the project. There is also a tendency on the part of states to hire AM instructors who are on contract for less than a year. This causes disruption in trainees' education if there are delays in renewing contracts.
21. Most states have raised contract instructors' salary to that of the basic pay of a regular instructor, except a few including West Bengal (Rs.4800 per month). A number of challenges continue to remain to make the COE course fully functional, and to ensure its sustainability and enhance acceptability by employers and students beyond the project period. Chief among them are: (a) completing the civil works and equipment purchase timely, (b) ensuring that all equipment are properly installed in workshops and maintained, (c) sanctioning of remaining AM instructor posts and filling all vacant positions (including those of the Principal where the post is vacant, and making sure that the Principal in position is full time and has independent charge where the Principal has additional responsibilities of more than one ITI) with faculty that have the necessary qualifications and are trained, and (d) completing the affiliation process the lack of which de-motivate trainees from joining COEs. In addition, operationalization of Specialized Module, resolution of the issue of fragmented certification, and examination system of BBBT needs to be addressed appropriately and urgently.
22. *Instructor Training Network:* More than 15000+ instructors from both project and non-project ITIs have undergone a variety of training courses supported by the project including short-term Advanced Module training, Pedagogy related training and other refresher courses, and some longer duration training including the one year Craftsmen Training that has now been made mandatory by DGET for all ITI instructors. All states now regularly develop a training plan for their instructors and submit

them to the Apex Hi-Tech Institute (AHI). This practice needs to be institutionalized. AHI has also prepared AM instructors training curricula in 21 sectors.

All states except West Bengal now send contract instructors for training. Before the project, state sponsored training was limited to regular instructors. Instructors who have undergone training belong to both project and non-project ITIs.

23. States are not able to depute adequate number of instructors, including AM instructors for training to ATIs, because of large vacancies. States also report, that the problem is further aggravated as there is no gap between the closing of the first and the beginning of the second academic year. The states, which already are struggling with the problem of shortfall in faculty, become reluctant to send instructor outside of state for long duration as that affect training in ITIs. The states have urged DGE&T to take steps to resolve this issue.

Component 2: Promoting Systemic Reforms and Innovation

24. The VTIP has been designed to leverage the investment made under the project by supporting reforms at the sector, state and institution levels, and to encourage innovations directly through financial support, and indirectly by providing an enabling mechanism through the joint review missions which is an opportunity for states to exchange ideas and information and for diffusion of innovations through the system. Reforms have been sought to be promoted through: (a) studies and research/analytical work, and (b) study tours and short-term fellowship programs to enhance the capacity of the policy makers and system managers to implement reforms.
25. *Policy Studies and Workshops*: Some studies have already been conducted by DGE&T/NPIU which include (a) Institutional and Tracer Survey of Graduates of ITIs by the Quality Council of India, (b) two National Vocational Qualification Workshops with World Bank and ILO support, (c) three mid-term studies largely aimed at the project but with general lessons for the sector as a whole and which include a management review, an asset and environment management audit and a national level rigorous tracer study of ITI graduates which includes both project and non-project ITIs as part of their sample survey to provide a comparative picture. Preparations are underway for two more important workshops – a TCPC workshop and a workshop on the Automotive Sector as 100 of the 311 COEs have selected this sector under the project. Some of the study tours have also been finance by the project. However, there is a string demand from the states for short-term international study/training programs for the state and institution officials. The Mission strongly recommends that the NPIU organizes focused international trainings for the state, DGET, and CFI officials as well as ITI Principals and faculty.

Incentive and Innovation Funds: These two sub-components have not been implemented with much success over the project period so far. Only four states - -Gujarat, Maharashtra, Orissa and Madhya Pradesh - - received the first round of incentive funds in 2010; however, they are yet to utilize these funds and submit progress reports for release of the second and final amounts due to them. Only Karnataka has received innovation funds. The Mission is pleased to know that the NPIU will open up the Innovations Fund (IF) to both public and private agencies under revised guidelines. The revised guidelines are expected to be finalized by March 31, 2013 and with approval of the NSC, request for proposals will be issued. The Mission recommends that based on performance, another round of incentive fund to be made available to the states in 2013.

Component 3: Project management, Monitoring and Evaluation

26. *Project Management Capacity*: Project management capacity has improved under the project both at the national and state levels but challenge remains. The biggest constraint towards capacity building

continues to be limited staff in the National Project Implementation Unit and the State Project Implementation Units. Since the last Joint Review Mission in February 2012, staffing has improved in most states but remains a constraint in Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Assam, and Uttarakhand.

27. *Monitoring and Evaluation*: Project monitoring and evaluation under VTIP has happened through four main modalities: (a) third party independent national level tracer studies designed to provide a comparative picture of project and non-project ITIs (base-line study completed in 2005-06, and mid-term study in 2011), (b) the progress report forms (PRFs) through which ITIs provide comprehensive information on all project components and sub-components,² (c) field visits and (d) formative and summative policy and project level studies. The current round of data collection from the PRFs is ongoing. After the base-line tracer study of ITI graduates in 2006, a second tracer study was conducted in 2011 and the findings were presented during the mid-term review of the project. Environmental and asset audit and management review of the project were also conducted and findings presented during the mid-term.
28. *Management Information System (MIS)*: The web-based Management Information System (MIS) to cover all 2000+ public ITIs is in the final stage of pilot testing. It is expected that the MIS pilot will commence in January 2013, the MIS site will go-live in February 2013, and the training of 4300 ITI and state personnel on the MIS will be completed by May 2013. A table with the detailed list of tasks and associated dates is provided in Annex 6.

VIII. The Way Forward: Consolidation of Project Gains

29. Making the COE fully functional and sustainable

- **Affiliation**: It is evident that the demand for COE exists among the students and employers. Addition of multi skilling, multi entry and exit training option has added to the course preferences of the students and the preference and need of industry and employers. However, both public and private employers within the country and outside value NCVT certification, for which NCVT affiliation of COE are mandatory. Delays in obtaining affiliation has led to decreasing popularity of COEs among trainees, and also leads to the risk of reducing the efficiency of investment made in the same. All states and ITIs must purposefully and timely: (a) complete remaining infrastructure and purchase of equipment, (b) establish workshops with all ancillaries such as power available, (c) create AM positions and fill them with instructors with the right credentials, and (d) complete the affiliation process. At mid-term in June 2012, the share of AM courses that were affiliated was less than one-third.
- **Specialized Modules**: The Specialized Module component has not been very successfully implemented so far except in a few ITIs, generally located in urban-industrial areas in a few states. Reasons for poor implementation include lack of interest from industry partners, lack of suitable industries, poor outreach on the part of ITIs, and trainees preferring to enter the job market due to delayed placement in SM and for other reasons. There's also an issue of learning outcome of SM. As a partial solution to the problem, MOLE has allowed apprenticeship training in lieu of SM training where possible. While, this has helped ease the problem to some extent, apprenticeship

² 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.

training does not allow for curricula to be adapted according to industry needs. Nor does apprenticeship cover all trades in which SM is offered. Moreover, curriculum, monitoring, assessment and certification of SM also are poorly organized. For the COE concept to be fully realized, the DGET needs to understand the problems associated with implementing SM, identify a menu of options that states and ITIs can use according to their circumstances, and undertake strong monitoring. The states also have a key role to play in helping implement SM within their ITIs, as they are more enabled to reach out to potential industry partners than remotely located ITIs.

- **Trainee testing and certification:** Trainee testing and certification remains a problem area in COEs. While the pedagogic cycle has changed significantly from traditional CTI training, the modality of testing remains the same (through annual tests) which given the intensive and sequential nature of modules with a COE cycle leads to poor performance generally on the part of trainees on tests. Some tests have changed the way the modules are taught. While this has provided temporary resolution, it runs the risk of making the implementation of COE non-standard in non-trivial ways. The NPIU has decided to introduce a semester system; however, no steps have been taken in this regard so far. The system needs to be introduced timely, and closely monitored for ensuring that changes made are sustainable and suitable.

30. Improving Institutional Efficiency

- **Mentor Institutions:** The Mission is pleased to know that the NPIU has decided to hire 15-20 premier institutions located across the states of India to act as mentor institutions to a cluster of 20 to 30 geographically close ITIs. The mentor institutions will provide guidance to the ITIs in improving the performance of the ITI, in improving quality, in providing support for institutional development to the ITI in a more decentralized manner, and provide their knowledge and expertise in problem solving, good practices and innovations. To make optimal use of the remaining project period, the NPIU should begin the process of identifying these institutions (a tentative list has been prepared), engaging them, and bringing them on board. Broad Terms of Reference for the Mentor Institutions is provided in Annex 3 of this aide-memoire.
- **Strengthening Institutional Management Committees (IMCs):** The functioning of the COEs is guided by the Institutional Management Committees which have been set up as a mandatory requirement in each project ITI. The IMCs are advisory bodies, usually 11 members strong, up to 5 of which come from the private sector or industry, including the committees' chair. Through supervision and implementation support visits to ITIs and through information provided by the states during the Joint Review Missions, it is clear that the IMCs are now an important part of the management structure of the ITIs and the more progressive IMCs have helped the ITIs through a number of trainees', instructors, instruction, equipment and other resources and placement related initiatives and have also helped ITIs establish MOUs with established industries such as Toyota, the Taj Group etc. In general, however, IMCs remain meagerly informed about the project, and few have been provided any orientation through state or ITI initiatives. NPIU or SPIUs can prepare guidelines which can be used to strengthen, empower and enable IMCs to further contribute to ITI management and performance.
- **Excellence in Leadership Training of ITI Principals:** 120 project ITI Principals have already undertaken a week-long course in leadership and excellence training (at the prestigious Indian Institute of Management (A). The coverage of all project ITI Principals for this training should be completed timely. Furthermore, the NPIU should consider conducting (a) a formative and impact evaluation of this training, and (b) explore modalities for follow-up training of Principals.

31. Enhancing Employability of Trainers

- **Training, Placement and Counseling Cells (TCPCs):** A study of TCPCs in five states has been conducted to understand the needs of the ITIs, current structure, function, and efficiency of TCPCs, and to learn from good practices followed in some states. The objective of the study is to provide inputs into the development of a guiding document (to be prepared by the NPIU) which states and ITIs can use suitably to strengthen their own TCPCs. A key finding of the study is the need to develop a model for the TCPC system that can compensate for the rural and remote location of many ITIs. This can be done by considering for example, a hub-and-spoke model where a leading ITI can act as a central node for a cluster of other ITIs. A briefing note and summary of the findings of the survey has been provided in Annex 4 of this Aide-Memoire. As a next step, a full-fledged TCPC workshop with the participation of all the states is proposed to be held in February 2013.

32. Training of Trainers

- **Institute for Training of Trainers (ITOTs):** Efforts have been made under the project, to bring instructor training closer to the ITIs through a more decentralized set-up, and establish an instructor training network for better coordination of instructor training, expand its scale and enhance quality. Under the project (no more than) 10 Institute for Training of Trainers (ITOTs) has been deemed to be established under state ownership. A meeting was organized by DGET and the World Bank with ten participating states to brainstorm and discuss the ITOT concept. Issues discussed during the meeting included the governance, management and academic structure of the ITOTs, the process of selection of trainers, their grades, institutional development, ITOT business plan, and quality assurance. Given that the concept of the ITOT remains fluid, the NPIU needs to finalize the ITOTs terms of reference, and guide the states who have been allocated ITOTs towards completing ITOTs on time. A briefing note from the ITOT workshop is provided in Annex 5.

33. Strengthening Centrally-funded Institutions (CFIs)

- The progress of CFIs has been good. CFIs have the potential to play a larger role in improving the quality of vocational training in the craftsman training sector. All the ATIs have established new infrastructure for COE instructors training in specific sectors.
- **NIMI:** The progress made by NIMI has been excellent.
- **Apex Hi-Tech Institute (AHI):** Under the project, AHI was envisaged to become a leading institute for developing the instructor training structure for training in cutting-edge technology, and for managing and promoting system-wide instructor training and training of master trainers within the Industrial Training Network. Given the importance of instructor training to the vocational training sector, it is important that AHI develops the capacity to undertake the aforementioned tasks. This will include: (a) completing all its infrastructural and facility related requirements, (b) filling up of vacant positions, (c) develop an Instructor Training MIS (which can be considered to be integrated with the sector-wide MIS in some manner), and (d) consolidate steps taken so far to establish the Instructor Training Network.
- The Mission recommends that incentive fund should also be open to the CFIs based on their performance.

34. Strengthening Institute-Industry Linkages

- In addition to the IMCs and TCPCs, that will provide institutional mechanisms to ITIs to establish linkages with industries, states and ITIs need to establish independent collaborations and

partnerships with individual industries, and industry associations and chambers of commerce. The private sector has the potential to become the best partner of ITIs in generating resources, in setting up workshops that can fully address the demands of new industries and help the ITIs to better align to the skill needs of the economy. Many states and ITIs already have shown good practices in this regard, and there needs to be knowledge transfer and support for such practices to become more prevalent in the ITI sector.

IX. Fiduciary Management

35. *Financial Management:* The rating for the project is maintained at 'Moderately Satisfactory (MS)', because the project has taken up the rectification of the audit disallowances for 6 states and 2 CFIs resulting in a total recertification of Rs. 230 million, initiative taken by the NPIU to retrospectively correct all IUFRs and steps taken to expedite audit process. The NPIU has committed to the following action plan to improve the FM rating from MS to S (Satisfactory):

- i. Submission of acceptable audit reports for 18 states and 5 CFIs for FY 2001-12 by April 30, 2013
- ii. Reconciliation of state wise IUFRs with Audit Reports by April 30, 2013
- iii. Capacity enhancement of NPIU by hiring of a CA/ICWA by February 28, 2013
- iv. Completion of Maharashtra Special Audit by July 31, 2013.

A detailed note on Financial Management and suggested action points are provided in Annex 7.

36. *Procurement:* The rating for the project remains 'Moderately Satisfactory.' All concerned person handling procurement across all implementing agencies under VTIP have undergone procurement training on World Bank procurement procedures. Further, the NPIU has augmented its procurement capacity by having one more procurement specialist on board.

37. The Risk Mitigation Action Plan shared along with PPR reports for FY 10 and FY 11 have been submitted by the Project which is being reviewed by Bank. For FY13 Procurement Post Review (PPR), 10 States and ATI Kanpur have been selected out of which list of contracts of only five States (Tripura, Kerala, Goa, Chhattisgarh, West Bengal) and ATI Kanpur have been received. Lists of contracts for remaining five States selected for PPR FY13, i.e. Uttarakhand, Orissa, Delhi, Rajasthan and Assam are pending. A workshop shall be organized tentatively in the month of January, 2013 to discuss SPIU-wise risk mitigation action plan.

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

- i. Ensure disclosure of approved Procurement Plans, contract wise physical and financial progress, complaint handling mechanism, list of contracts and NCB contract awards on respective SPIU and NPIU websites by April 30, 2013.
- ii. Submit comments on the risk mitigation action plan and on the deviations identified during PPR FY 12 by February 28, 2013, for Bank's review.
- iii. Award contract for Special Audit by January 31, 2013.
- iv. Publish complaint handling mechanism in the NPIU website by January 31, 2013.

39. The NPIU will organize workshop in February, 2013 to discuss the fiduciary issues- audit disallowances, IUFRs, capacity building of SPIU staff, post procurement issues mitigation plan, etc. A detailed note on procurement related issues and actions are provided in Annex 8.

X. Environmental Management and Social Safeguards

40. *Environmental Management*: Environmental Management under the project has come for particular attention, and as per the mid-term review findings as well as those that have emerged through discussions with the states, the need is to ensure sustainability of environment related efforts, and to also focus at the ITI level on occupational and health related safety measures.
41. *Social Safeguards*: Under the project, states were encouraged to increase the amounts of stipends given to girls, and students belonging to the Scheduled Castes and Scheduled Tribes. Through the project period, the monthly stipend in most cases has increased from less than Rs. 100 to more than Rs. 300 in a majority of states. States and ITIs also report more timely disbursement of stipends to beneficiaries.

XI. Next Joint Review Mission

The next joint review mission will be held in May 2013. However, before May 2013, interim state level mission will be conducted to support the states on quality improvement.

XII. Annexes

Annex 1: Reporting on the Results Framework

Annex 2 State Project Implementation Issues and Civil Works/Equipment Status

Annex 3: Draft Terms of Reference for Mentor Institutions

Annex 4: Institute of Training of Trainers Note (ITOT)

Annex 5: Briefing note on the Training, Counseling and Placement Cell Workshop (TCPC)

Annex 6: Management Information System Time-line

Annex 7: Financial Management

Annex 8: Procurement

Annex 9: State-wise Expenditure Status

Annex I
Results Framework

Outcome (Key performance indicators)	Baseline	Data collection and reporting			Remarks
		Mid-term Target July 2011	Value as of March 2012	End- term Target	
Project development objective outcome indicators					
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% 48% 46% 43%	Source: 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	3550 3800 3200	3026 3093 2451	Source: 2011 tracer study Base-year for monetary unit: 2005-06
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">• Percent of ITIs having active private sector participation in IMCs measured by their attendance at IMC meetings and through field visits by SPIU staff;• The proportion of a State/UTs allocation that has been expended;• The proportion of relevant instructor vacancies that are filled;		100	100	100	
		90	XXX	100	
		90	CTS - 90% BBBT - 87% AM - 54%	100	
Sub-Component 1.2: Training of Trainers					
<ul style="list-style-type: none">• Number of Institute of Training of Trainers (ITOT) established at the state level	0	0	0	5	Proposals from 10 states for ITWs have been approved. The MOLE has released funds to 8 states. But, now instead of ITWs, ITOTs will be established under the project
<ul style="list-style-type: none">• Number of new and current instructors given entry level or refresher/specialized instructors courses annually	0	2700	15000+	5100	
Sub-Component 1.3: Incentive Fund					Orissa, Gujarat, Maharashtra
<ul style="list-style-type: none">• Number and types of grants provided to well-performing States/UTs, and the distribution of	0	0	3	6	

Intermediate Output Indicators	Baseline	Data collection and reporting			Remarks
		Mid-term Target	Value as of March 2012	End-term Target	
these resources to non-project ITIs					
Component 2: Promoting Systemic Reforms and Innovations					
Sub-component 2.1: Promotion of Reforms					
• Number of studies commissioned by NPIU		3	3	5	QCI Study, 2 NVQF workshops, 3 Mid-term Review studies
Sub-component 2.2: Innovations Fund					
• Number of innovative proposals financed by innovations fund, and distribution of grants by type			1	6	Karnataka ; Revised guidelines will be circulated inviting states to submit proposals
Component 3: Project Management, Monitoring and Evaluation					
Component 3.1: Project Management					
• A National Steering Committee (NSC), supported by NPIU, established			NSC established		The NSC and all SSCs were established in the first year of project implementation
• State-level Steering Committees (SSC), supported by SPIU, established within 3 months of project effectiveness			All SSCs established		
Sub-Component 3.2: Monitoring and Evaluation					
	Yes	Yes	Completed	Yearly	

Intermediate Output Indicators	Baseline	Data collection and reporting			Remarks
		Mid-term Target	Value as of March 2012	End-term Target	
<ul style="list-style-type: none"> ITI institutional survey Tracer study of ITI pass-outs Web-based Management Information System (MIS) implemented, based on baseline surveys and field visits. Bi-annual joint Gol-IDA review of project implementation progress Project evaluation undertaken at mid-term and end-term by independent local/international consultant firms. 	Yes	Yes	Completed MIS nearing completion to go live in Feb 2013	Yearly	
	Yes	Yes	Completed	Bi-annual	
	Yes	Mid-Term Evaluation	Mid-Term Evaluation Completed	Twice during project life	

Annex 2
State-level issues from the 6th Joint Review Mission

Name of the State	Issues and Agreed Actions
Andhra Pradesh	<p>Civil Works: To be completed in 4 ITI s. Expected to be complete by December 2012</p> <p>Audit: Audit report to be submitted by November 30.</p> <p>Instructor vacancy: 57% of positions of required instructors sanctioned for BBBT. 23% of required instructors for AM filled.</p> <p>Affiliation: 32% of BBBT courses affiliated 3% of AM courses affiliated.</p> <p>Training of Instructors</p>
Assam	<p>Instructor Vacancy: Large percentage instructor vacancy. Required position of instructors not sanctioned.</p> <p>Finance: Fund flow a major problem in the state due to non-receipt of fund from the state government.</p> <p>Instructor vacancy: AM is not taking place due to lack of instructors.</p> <p>Audit: Audit of the present year yet to take place. NPIU to write to state state AG.</p> <p>Affiliation: None of the BBBT or AM courses are affiliated.</p>
Bihar	<p>SPIU: SPIU almost non-existent. Only one person managing all the schemes.</p> <p>Civil Works: Civil Works incomplete.</p> <p>Instructor Vacancy: Only 50% of the positions of instructors filled. Large number of vacancy for principals. Recruitment of 27 vice principals have been made. They are expected to join by December.</p> <p>Audit: Large amount disallowed by audit. Expected to be cleared by December.</p>
Chhattisgarh	<p>Civil Works: In 4 ITI s civil work is expected to be completed by March 2013.</p> <p>Instructor Vacancy: Lack of regular staff and instructors are on contract of 11 months. Thus there is a gap of 2-3 months before their terms are renewed.</p> <p>Academic: Pass percentage is low and one of the reason is that the question</p>

Name of the State	Issues and Agreed Actions
	<p>paper is in English</p> <p>Affiliation: 91% of BBBT and 100% of AM courses are yet to be affiliated.</p> <p>SPIU: In SPIU there is only one person. Finance is raising objections regarding appointment of consultants.</p>
Goa	<p>Civil Works: Civil works is completed in 4 ITIs and for 3 ITIs it is expected to be completed by 31 March 2013. Construction yet to begin in 2 ITI s.</p> <p>Instructor Vacancy: AM positions are not created. All AM instructors are on contract.</p> <p>Academic: Admissions are very low</p>
Haryana	<p>Instructor Vacancy: Only 40% of the positions filled. Advertisement made for principals.</p> <p>Affiliation: None of the BBBT and AM courses are affiliated.</p>
Himachal Pradesh	<p>Civil Works: Civil Work delayed due to Environment and Forest Laws. Construction of ITI Shimla held up due to closeness to heritage building.</p> <p>SPIU: Proper SPIU yet to be formed. Only one person in office.</p> <p>Academic: Admissions in all ITI s very low. In Nahan ITI there is no admission for two years.</p> <p>Audit: Audit disallowance Rs. 6.2 crores.</p>
Jammu and Kashmir	<p>Civil Works: Construction of Workshop Blocks at R.S.Pura is in progress. Civil works is incomplete and expected to complete in two months.</p> <p>Instructor Vacancy: Instructor positions yet to be created and large instructor vacancy.</p>
Jharkhand	<p>Academic: Academic performance though improved continues to be low.</p> <p>Affiliation: None of the BBBT or AM courses are affiliated</p>
Karnataka	<p>Civil Works: Work in progress in 4 ITI s.</p> <p>Affiliation: None of the BBBT or AM courses are affiliated.</p>
Kerala	<p>Affiliation: 59% of BBBT courses yet to be affiliated. None of AM courses are affiliated.</p>
Madhya Pradesh	<p>Civil Works: Civil Work completed in 2 ITIs and in others it is in progress. 6works yet to start.</p>

Name of the State	Issues and Agreed Actions
	Instructor Vacancy: Academic: High drop-out rates and low pass rates. SM training not yet functional in the state.
Maharashtra	Instructor Vacancy: Substantial vacancy in instructors. Audit: Large audit disallowance. Affiliation: 38% of BBBT and 84% of AM courses yet to be affiliated.
Orissa	Civil Works: Delays in 2 ITI s. (Rourkella) Affiliation: 22% of BBBT courses are yet to be affiliated. 100% of AM courses to be affiliated.
Puducherry	Civil Works: Civil works to be completed. Amount deposited with state PWD.
Punjab	Civil Works: Civil work for ITI Kalanaur under progress. Expected to be completed by March 2013. Instructor Vacancy: 89% of BBBT instructors in place. 29% of AM instructors in place.
Rajasthan	Instructor Vacancy: Instructor positions created for the first unit (only) but recruitment yet to take place. Affiliation: None of the BBBT or AM courses are affiliated. Financial: Delays in funds release which has led to delays in payment of salaries.
Tamil Nadu	Civil Works: Civil Works to be completed in 1 ITI, Affiliation: 58% of BBBT courses are yet to be affiliated and all AM courses to be affiliated. Instructor Vacancy: Large instructor vacancy in AM.
Uttarakhand	Civil Works: In 1 ITI did not follow WB norms. Affiliation: 50% of BBBT and 100% of AM yet to be affiliated. Instructor Vacancy: 62% of BBBT and 50% of AM instructors are filled.
Uttar Pradesh	Civil Works: Poor quality of construction in Sultanpur ITI. Instructor vacancy: Instructor vacancy is high. Audit: Large audit disallowance.

Name of the State	Issues and Agreed Actions
West Bengal	<p>Civil Works: Civil works in 2 project ITIs incomplete. Electricity shortage in all ITIs.</p> <p>Instructor Vacancy: 50% instructors' vacancy. Remuneration of contract faculty low.</p> <p>Academic: No SM training in the state.</p> <p>Finance: Large unspent amount for which the state will prepare an action plan.</p>

Annex 3
Broad Terms of Reference for the Mentor Institutions Initiative

1. Background

The Vocational Training Improvement Project is a national project supporting the quality enhancement of 400 Industrial Training Institutes in 33 states and union territories of India. Project management at the national and state levels is done by the National Project Implementation Unit and the State Project Implementation Units. Findings from a Management Review of the project shows that states that have a strong SPIU in terms of staff strength and continuity of key staff have performed better. However, many states and even the NPIU at the center are constrained by limited number of staff. Furthermore, institutional development takes time and requires a more intensive exchange of ideas, information and supervision. Given the limited capacity of the NPIU and the SPIUs, such intensive attention to project ITIs has been missing, and much of the exchange between these institutions and the ITIs has perforce been limited to day-to-day management.

2. Objective of the Initiative

The objective of this initiative is to identify 15-20 institutions with the requisite capacity and which are located closer to the institutions to act as mentors to project ITIs. Each mentor institution will be required to look after a cluster of 15-20 ITIs in their region.

3. Scope of the Initiative

The mentor institutions are expected to carry out the following activities among others for each of their mentee ITIs:

- In consultation with the ITI Principal, Senior Instructors and IMC members, prepare a strategic institutional plan which will look at every element of a well-functioning and well-performing ITI with view to improving the quality of training delivery and employability of trainees. The plan will aim at improving the quality of training delivery and the employability of the ITI trainees.
- The institutional plan will also identify the critical strengths and weaknesses of the ITIs, and the mentor will help develop strategies and solutions for building on ITI strengths and mitigating weaknesses.
- Support the ITI in developing a system for self-monitoring and self-evaluation of their institutional plans.
- Regularly visit the ITI to assess progress, identify short-falls, provide critical feedback with respect to ITI performance, identify problem areas and help to develop solutions and methods for implementing the solutions. The periodicity of the visit will be determined by the NPIU and the SPIUs.
- Hold regular meetings of all ITIs and state level officers to report on progress. The periodicity of the meetings will be determined by the NPIU and the SPIUs in consultation with the mentor institutions.

Annex 4
Briefing Note for Training, Counseling and Placement Cells

**PROPOSED NATIONAL WORKSHOP ON BEST PRACTICES FOR A TRAINING
COUNSELING AND PLACEMENT CELL (TCPC)**

Background and Context

In India, Industrial Training Institutes (ITIs) have been entrusted with the role of producing skilled workforce to meet the industry demand. The current state of the ITIs across India has a lot of room for improvement in management, quality of curricula and teachers, and connects with industry. In order to respond to changing requirement of the globalized Indian economy, the World Bank is supporting the Government of India through the Ministry of Labor and Employment to upgrade the quality of 400 ITIs in 33 States and UTs through the 'Vocational Training Improvement Project' (VTIP). The objectives of VTIP are to produce high quality craftsmen from publicly funded ITIs, to enhance knowledge and skills of ITI instructors and trainers, to promote innovations and to bring about systemic reforms.

Under this project (VTIP), all participating ITIs were to establish a Training, Counseling and Placement Cell (TCPC) to secure industry attachments for the COE students for the specialized module; training for ITI graduates, either as apprentices or otherwise, and for generating employment avenues for the ITI graduates. As per the Project Implementation Plan (PIP) of VTIP, the TCPC has clear objectives and responsibilities of ensuring employment/ self-employment and apprenticeship training to trainee, Skill gap mapping & provide soft skills training to make trainees employable and connect them with jobs. The current practice has been, TCPC is being managed by a Training, Counseling and Placement Officer (TCPO), who is an existing faculty in each ITI (e.g. Vice-Principal or Group Instructor), working on this additional responsibility on a part-time basis. The TCPO is responsible for increasing institute-industry interactions to the advantage of both the students and instructors in the form of industry visits, industry attachments, expert lectures and training, job fairs for campus recruitment, etc.

While some states such as Gujarat, Maharashtra and Karnataka have experimented with some innovations in establishing and operating these Cells, many states and ITIs are facing multiple challenges in effectively operating the TCPC. It is in this context that this study was undertaken to analyze the current system, learn lessons from well-functioning TCPCs and to identify generic guidelines for establishing and operationalizing a TCPC and some variants that would provide space to the states and institutions to develop their own model that will work in their specific contexts.

**BRIEF REPORT OF THE STUDY ON GOOD PRACTICES FOR A TRAINING, COUNSELING
AND PLACEMENT CELL (TCPC):**

The objective of the Analytical Report on the TCPCs across twelve ITIs in four states was to evaluate the current model as it is being implemented and recommend a set of generic common guidelines for establishing and operationalizing TCPC and suggest some good models for effective TCPC implementation.

These 12 ITIs were selected to represent both rural and urban ITIs and also represent those that are doing relatively well in terms of student placement in the industry.

The research on the ground showed that TCPCs are operational in all the studied ITIs, however, the implementation practices and processes differ. Our research team had to collect all the data and

information pertaining to best practices in those TCPCs and challenges faced by those TCPCs so as to suggest appropriate solutions; learning from the best practices and countering the challenges.

The ITI s that emerged as doing well, are those who show high placement percentages, or are placing students with high salary, or those exhibiting innovative practices in reaching out to the industry or training the students for getting job ready. A critical analysis of the supporting and challenging factors in the current TCPC system, brought out the following factors.

1. The state government's proactive partnerships with the industry (MoUs), and active collaboration amongst different government departments (especially ITI s and Employment Exchanges) go a long way in increasing the effectiveness of the student placements at ITI s.
2. The location of the ITI while being very important, location alone did not come out as a key contributor to success. An ITI could be a success if it managed the industry contacts and ensured placement. ITI Behrampur and Uttarsanda, despite being a rural ITI s exhibited the possibility of success through the principal's direct networking with the industry and other innovative practices. Hence, the classification of ITI s as successful and not so successful has been used rather than rural and urban, while suggesting the TCPC models.
3. The successful TCPC s irrespective of their location have also exhibited how collaborating with other ITI TCPC s or with the Employment exchange brings in the desired number of students to match the demand of the Industry and gives the rural of far off ITI s an equal opportunity.
This brings to the fore the possibility of a collaborative model TCPO, where either different departments of the state government collaborate, or different ITI s collaborate.

Other Critical internal strengths of the successful ITI s are:

4. Successful ITI TCPCs manage sufficient access to the industry by leveraging parameters like their active IMCs (facilitating industry contacts), and proactive Principals (managing good relations with the industry). In addition the TCPO gets some support from other faculty or students or even alumni.
This brings to the fore the need for the TCPC to be a team structure rather than just one person.
5. Successful ITI s TCPC have managed to build sufficient TCPC infrastructure like an office space, computers, library, internet connectivity etc. from within the CoE budgets or from industry CSR budgets.
This brings to the fore the possibility of utilizing the existing funds, after due evaluation of all the expenses.
6. The successful ITI s also showed some best practices in the areas of industry outreach, student coaching and training, and data management. These have also been incorporated in the detailed recommendations.

The key challenges experienced in the both successful and not so successful ITI s are listed below:

7. Mostly, the TCPOs are doing this role in addition to their current role of an instructor and hence, manage to perform only a part of the responsibilities assigned to them. TCPO does not focus on Proactive industry contacts other than the existing ones (through MoUs and IMC contacts) and on active training and coaching of the students to make them industry ready. Though both these tasks are executed, however inconsistently.
This brings to the fore the need for an exclusive, carefully selected and trained TCPO.

8. As against the guidelines in the current TCPC structure with at least six members (the Principal, the TCPO, two Instructors, and two trainees), the actual implementation of the TCPC includes only the Principal and the TCPO. Other roles are there informally, however not very clear accountable in the TCPC structure.

This brings to the fore the need for a TCPC team structure, roles and responsibilities, and periodic review system. Additionally, to empower the TCPO to achieve his goals, a need to make the TCPO a part of the IMC was also felt.

9. The current infrastructure guidelines and requirements are not consistently met as right now the source for these funds is not very clear. ITI s manage to build the infrastructure through CoE budgets, Industry CSR, or savings from the overall ITI budget.

This brings to the fore the need to evaluate where the funds for the TCPC would come from and accordingly allocate the budget. Additionally, a clear and consistent infrastructure, and costs framework is required.

10. In the current system the student data is not managed to track a student life cycle and hence calculate exact impact on the placement activities. There are a lot of inconsistencies between different reports on number of students enrolled, number of students who took the exams and finally the number of students who got placed.

This brings to the fore the need for a student data management or a campus management software. In the absence of that, there is a strong need to have consistent data management practices across ITI s.

11. The current TCPOs also feel ill equipped to training and coach the students to make them industry ready. Additionally for want of time, they're also not able to invest in this activity. Finally, the TCPOs are not trained in the required skills to coach the students. Though in some ITI s preparing the students to be industry ready is being taken on by volunteer organizations or IMCs, a consistent structured approach across the ITI s is missing.

This brings to the fore the need for bringing in accountability in the role of the TCPO to arrange for student trainings.

12. In the current TCPC, the TCPO is neither selected on the basis of required skills and competencies not trained on any of the required skills and competencies to be able to perform his job effectively.

This brings to the fore the need to list down essential competencies required to perform the TCPCs job well and also organize training programs for the current incumbents to be able to build the same competencies.

Our recommendations on the ideal TCPC Model are as follows:

1. The overall Model for the TCPC should be built on collaboration between the Urban ITI s or those that have the industry contact and the Rural ITI s or those that do not have the industry contacts for placing their students. Two possible models could be followed:
 - **Gujarat Model – The Employment Officer manages for three ITI s**
 - **Hub and Spoke Model – Independent TCPCs manage their respective TCPCs but leverage the Hub ITI s industry contacts**
2. It is recommended that the TCPC Team Structure as recommended in the current system be continued and to facilitate consistent implementation, clear roles and performance indicators of each role has been enumerated in the recommendations.

3. To be able to evaluate and develop the TCPOs both at the Hub and the Spoke ITI s, clear role, performance indicators and suggested measurable goals have been listed in the recommendations chapter.
4. To enable proper selection on the incumbent and to plan training for the development of the TCPOs, a list of competencies has been listed.
5. Required Infrastructure (for the Hub and Spoke), Personnel Policies, Performance Management and Reporting Metrics have also been suggested in the recommendations.
6. Finally, looking at all the above suggestions, a final expected cost sheet for operating an effective TCPC both at the Hub and the Spoke ITI s has been suggested in the recommendations.

Annex 5
Institute of Training of Trainers

Discussion with DGET and States
30 October, 2012

A meeting was organised by DGET and the World Bank with ten participating states to discuss and thrash out issues on Institute of Training of Trainers with the basic objective to have the state ownership to the concept from the very beginning.

Mr. Sharda Prasad, DG and Additional Secretary, MoLE in his welcome address mentioned that this was quite a momentous event as it is an opportunity to talk to the various state governments on this important issue of training of instructors in the ITIs. Training of trainers is a big challenge not only in India but also in other parts of the world. There are some issues specifically with India as follows:

- One of the reasons for this is that new sectors are emerging every day and the skills of the trainers need to be upgraded. There are a large number of trainers who needs to be trained. Trained trainers are important for quality training. Without quality, quantitative training is meaningless.
- The other important issue is related to pedagogy, delivery mechanism to trainers, involvement of industry in the training process which is closely related to relevance etc. All these aspects have to be factored into.
- The third issue in India is that there is a large number of vacancies for trainers. As a result even if one wants to send instructors for training it is difficult to release them. Therefore, it is important to constitute a training reserve who can be spared to go for training.
- The fourth issue is to work out career progression of the trainers which will attract good people for the job.
- The present capacity for training is only 2000 whereas the requirement is about 20,000.
- Lack of state government in training.
- Lack of involvement of industry in training. This is a major problem because without understanding the needs of the industry, it is difficult to develop training modules.

The concept of Institute for Training of Trainers (ITOT) has been introduced to address some of these issues. It was felt that trainers have to be trained as a result professional skills of all trainers providing skill training whether in ITIs, Polytechnics and Engineering should be made at par. It is seen that trainers with engineering background are good in theory but lack exposure to practical hands on experience, similarly ITI trainers are good in practical but may be weak in theory. As a result the course curriculum that is required should be able to address all these three kinds of graduates. Important issues for discussion for ITOT are as follows:

- The structure of the ITOTs in terms of keeping them autonomous or be a part of the system which is most suited for maintaining the issue of quality of these institutes. If they are autonomous they could do a lot of things, but if they are a part of the system they would be more integrated.
- Making the training of instructors demand driven as opposed to supply driven till now. The states should be involved in determining the demands from their states.
- Qualification of the principal and the vice principal and their career progression. This is important because otherwise it would appear to them that it is a “punishment posting” and will not take interest in improving the system.

- Revenue model of these ITOTs. Should it be fully financed by the state or should they be allowed to raise their own funds. Therefore, it is important to work out the funds required for the ITOTs with a view to make them financially sustainable.

It is envisaged that about 10-12 ITOTs will be set up to encourage a decentralized system of training of trainers as opposed to the present system which is centrally driven. In the original VTIP Project there was a concept of Instructor Training Wing (ITW) as a part of COE. But it was largely felt that a separate institution under the state government will be more appropriate for the purpose. The challenge is to develop the ITOTs in the next two years as a demonstration model. Therefore it is important to plan what should be done in the short term, medium term and long term. ITOT is a bigger concept than the earlier ITWs

Given the experience of DIET which was established in 1970s for the purpose of training of teachers for the primary schools it is seen that left totally to the state government they will become defunct and one of the reasons for this that there was no career progression of the instructors in the DIET. Another important lesson was that of NITTI which is supposed to train instructors for polytechnics. But quality of NITTI has also suffered because there is a big disconnect between Polytechnics and NITTI.

Mr. R.L. Singh, DDG, pointed out that in 2011 Guidelines have been issued on setting up ITOTs. That has defined the required infrastructure, staffing, etc. of the ITOTs. The experience of COE has shown that one should not start an ITOT without first completing the infrastructure and it is also important to have a training plan of the existing trainers.

Structure of ITOTs

Kerala: ITOTs should be autonomous institutes with minimum state control. It should be a tripartite body with participation of the state, DGET and industries whose governing body should constitute all stakeholders. Deputation of staff from other department may not lead to getting the right people for the institute and therefore the personnel should be recruited from the market. As a part of administrative mechanism it is important to mandate that promotion to the next level will depend on training.

Karnataka: It should be an autonomous society with the Chief Secretary of the state as the chairman. Representatives from the industry should be in the board and they should be involved in preparation of the syllabus. The state of Karnataka is already in the process of setting up such an institute and they have already got the consent of a few leading industry of the state to be in the Board (private sector banks, automobiles like Volvo, Toyota etc). The head of the institute can be recruited from the market for a person who has technical training. To ensure that private ITIs also come for training, the state government should bring out a legislature to the effect. Location of the institute is important as it would give the trainees an incentive to come for training.

AP: Independent society is a better option as a company would mean a lot of paper work as seen in the Overseas Manpower Corporation in AP. Recruitment of the right people in the society is very important for its proper functioning. In this case a system of deputation might work better as being posted in one institute may lead to stagnation.

MP: It should be a society and be fairly autonomous but it is important for it to have state control is important because this will ensure training of instructors in polytechnics as well as private ITIs. Total autonomy, it was felt, would dilute training.

In order to ensure quality, it was suggested that NCVT will give quality assurance. Government ITIs will not be affiliated if they do not have trained instructors. DG pointed out that control of state government or any other agency is not always good and for this self-regulation is the best option. A quality audit system is very important for quality control.

In order to maintain autonomy it is important for the institutes to be able to generate its own funds because if somebody is paying for the running of the institutes it is not “autonomous”.

Punjab: To set up a Society is better than a company. Punjab is setting up something similar near Chandigarh which will be a viable model. It is suggested that funds should be disbursed directly to the Society rather than being routed through the state. Making training compulsory is a good idea. It is also important to have auditors of training process.

Conclusion

- ITOTs to be set up as Society rather than a company.
- An initial start-up fund of Rs. 15 crore will be provided.
- The institute should be self-sustaining and charge fees for training.
- Master trainers in the ITOTs should be given more salary to attract the best talent.
- Planning of career path of the trainees to make it aspirational.
- Rotation between central and state cadres.
- To have a cadre of master trainers which will provide a link between the centre and the states.

Selection of Trainers and Ranks

The UPSC and SPSC form of selection has some rigidity and therefore other forms of selection should be introduced. It was recommended that head of ITOT should be a Director's rank and should be called Executive Director ITOT and his/her tenure should not be less than five years.

Institutional Development

In the board there should be senior members of the industry. It is usually seen that the people from the industry are nominated arbitrarily without the person's commitment. Therefore it is important to nominate the right person from the industry who will have time for the institute. In this regard the experience of Gujarat is interesting. They advertise for the post of chairman of IMC where people from the industry send in their interest stating their commitment in terms of cash and time. It was also suggested to have the sector skill council to be a part of the Board.

ITOT is a new institute therefore it may be a good idea to have a mentor institute to guide then professionally.

ITOT Business Plan

ITOTs should be an autonomous institute which is able to generate its own revenue. Several strategies were suggested for this.

- For the purpose of revenue generation it is suggested that all trainers from private ITIs should be trained in ITOTs. This should be made mandatory for renewal of affiliation.
- Run modular courses for TOT under SDI on soft skills.

- Recurring costs like salary etc. should be borne by the state. The user charges to be kept with the institute.
- The government support should gradually go down and at the end of a stipulated time the institute should be solely self-financing. This will help the ITOT to diversify with its own finances as per the requirement of the industry.
- In order to make vocational training lucrative to the private sector, DGET has made vocational training can be market linked and industry can make money. Thus industry should be encouraged to have an important stake in ITOTs. But after a period of time, ITOTs should have their own revenue stream.

Quality Assurance

Engaging audit organizations important to monitor quality outcomes, governance structure etc. ITOTs should be encouraged to get ISO certification. DGET is working with the Quality Council India to develop a set of quality mechanism for training. Objectives parameters are being developed and it is trying to see that these are adhered to. Similar parameters can be developed for ITOTs.

Trades in ITOTs

Selection of trades in ITOTs and how many trades each ITOT should have are important issues. It was suggested that government ITOTs should invest in trades which are costly and private ITOTs will not do.

The discussion on ITOT should be drilled down further and once that is done, another round of consultation can be arranged

Addressing Training Gaps in a Short Term

Regular system of TOT should be there for good quality trainee output, but unfortunately non availability of trainers is a big issue. Therefore innovative methods have to be evolved of how to increase trainers. Some suggestions:

- Identify institutions for TOT and cost can be borne by SDI.
- ATI team to go to states to train instructors from ITIs.
- Working with the retired technical staff of the army. Once the retired army personnel is given an orientation training on pedagogy, they can be good trainers. Gujarat retired army people are taking driving courses.
- State to identify staff from each ITI who will go to ATI or other institute for training and come back and train the others in the state.

Present Status of Spending under ITW

None of the states have made any substantial expenditure under ITWs and the unspent budget can be shifted to ITOTs. Whatever has been spent by the states under ITWs can be shifted to ITOTs.

Annex 6
Time-line and Key Activities for the Management Information System

S.No.	Activity	Responsibility	Planned Date
1	Application Security Audit Report Release	DGET/STQC	Dec-12
2	Closure of Security Audit Points	WIPRO	Dec-12
3	Retest the closures of Security Audit Points and Sign off	DGET/STQC	Dec-12
4	Production Ready for Pilot Implementation (H/W Implementation)	DGET/NICSI	Jan-13
5	Production Ready for Pilot Implementation (Application Deployment)	WIPRO	Jan-13
6	Readiness of Pilot Site for Training	DGET	Jan-13
7	Go-Live	WIPRO	Jan-13
8	Warranty (1 Year)	WIPRO	
9	Readiness of Training Sites	DGET	Feb-13
10	Training to 4300 officers	DGET/WIPRO	May-13
11	Application Support for 2 yrs post warranty	WIPRO	
T* - Date on which STQC will release 1st report on security audit			

Annex 7

Financial Management

The Financial Management rating of the project is maintained at Moderately Satisfactory. The rating has been maintained since the project has taken up the recertification of audit disallowances for 6 states and 2 CFIs resulting in a total recertification of Rs 230 mn, initiative taken by the NPIU to retrospectively correct all IUFRs and steps taken to hasten the audit process. Acceptable audit reports for 25 of the 48 project implementing entities have been received. The project has committed to an action plan to ensure that all reports are submitted by April 30, 2013.

State Reviews

The FM Team joined the review of Andhra Pradesh, Orissa, Maharashtra, Kerala, Lakshadweep, Gujarat, Goa, Karnataka, Delhi, Uttar Pradesh and Jharkhand. The main issues that came up during the review were as follows:

1. Late releases of funds by state governments resulting in slow processing of works.
2. Large amount of pending audit disallowances and IUFR differences with audited figures.
3. Circumvention of Treasury route of funds flow in some states.
4. Capacity weaknesses resulting in inappropriate reporting.
5. Delay in receipts of Utilization Certificates from the PWD.

IUFR submission

The IUFRs have been corrected retroactively in the Quarter ended Sept 30, 2012 for inappropriate entries in the Sources of Funds and advances in previous quarters. The Mission thanks the PIU for undertaking this effort and also suggests that an exercise to verify the underlying documentation for advances be taken up with the state PIUs. The Mission finds that the main reasons for incorrect reporting in IUFRs are:

1. Compilation of IUFRs at NPIU is done by separate persons for receipts, expenditure and advances and the IUFR are generated combining these, indicating a control lapse.
2. Insufficient capacity to compile the IUFRs at NPIU. Errors are observed in columns of Year till Date and Project Till Date of IUFRs (although quarterly figures are generally correctly report with the exception of advances).
3. NPIU does not have detailed list of advances reported in IUFR and their ageing.
4. Frequent revisions in the IUFRs reported by the states, sometimes even after the IUFRs have been submitted and approved by the Bank.

In order to ensure that IUFRs are accurate the Mission suggests that:

- a. Capacity be augmented through hiring of a CA/CWA at NPIU.
- b. Allow revisions in IUFRs of States only in exceptional circumstances and build capacity across the states
- c. State wise / institute wise reconciliation of advances, reporting their ageing and their timely adjustment.

Maharashtra Special Audit

The Technical Evaluation for the Special Audit in Maharashtra has been completed. The Bank has provided its comments, and we expect that the Audit will commence by Jan 2013. MoLE has committed to complete this process by July 2013.

The FM team conducted a brief due diligence of a sample of ITIs in the state of Maharashtra. The purpose was to verify a sample of assets and operating expenses and take a call about whether there is a cause for concern on account of fraud and corruption or, if in our judgement the report of circumvention of funds flow is may be indicative of a business need predicated on delayed funds flows.

The Mission visited 3 of the 87 ITIs in the state. The sample included both class II ITIs (with lesser number of trades) and class I ITIs having a large number of trades. All the 3 ITIs were in tribal areas of the state. The discussion and review of records focused on adequacy of FM procedures for expenditure related to Machinery and Equipment and Other expenditure, particularly with respect to appropriate documentation, system of approvals and checks for payments and records of fixed assets.

Sample check of accounting records, fixed asset register and procurement files was conducted. For machinery and equipment component, high value items were selected for the check based on list provided by the ITI and verified. Sample physical verification of machinery and equipment purchased out of VTIP funds was also carried out. Sample review of procurement and accounting records showed that in general the records were maintained satisfactorily and no evidence of fraud or corruption was found.

There are however, several areas to be strengthened such as:

- *Identification Number:* In ITI Igatpur desktop computers were not marked with identification number. In all the ITIs the numbering system does not differentiate between two or more similar machines purchased from a supplier, which can be addressed by adding a number as a suffix in the end. In almost all cases no numbering was visible on 'non-VTIP' assets, which can be confusing.
- *Bank Reconciliation Statement (BRS):* The ITIs did not have a system of preparing bank reconciliation statements for the DDO account. For further strengthening internal control, the state may consider introducing a system of monthly BRS at the ITI level, and regular checks of the same by the Regional Office.
- *Bank statements:* Updated passbook was not available during visit to ITI Igatpuri, although it was shown to the mission subsequently. In ITI Manekdoe, some bank statements were not available. It is recommended that all ITIs should maintain updated passbooks and bank statements for the DDO account.
- *Payment to Suppliers:* The system of proper filing of supplier's receipts with the voucher needs to be strengthened. For better record keeping and control, the ITIs can also attach photocopy of the Demand Draft to the voucher. In case of revalidation of the Demand Draft by the bank due to expiry of the validity period, the ITI must enclose copy of its letter to the bank, copy of the DD and update the information about the DD Number on the relevant records e.g., voucher file, cashbook and Demand Draft Register.

Recertification

The NPIU has worked with the state AG s to have the following re-certified:

		in thousand rupees
State	Financial Year	Amount Recertified by the AG which can be Claimed from the Bank
Delhi	2008-2009	252.000
West Bengal	2007-08	3834.871
ATI-EPI Hyderabad	2008-09	980.500
Karnataka	2007-08	2930.000
	2008-09	43910.000
	2009-10	127500.000
Andhra Pradesh	2009-10	415.940
Haryana	2007-08	10336.000
	2008-09	25000.000
	2009-10	4759.650
	2010-11	2998.590
Goa	Upto 2008	1742.000
FTI Bangalore	2006-07 and 2007-08	4495.313
	2008-09	940.736
Total		230095.600
Total (Rs. Million)		230.0956

The Bank suggests that the claim for the above be put in to CAAA as soon as is possible.

Disbursement:

SDR 96.72 mn has been disbursed out of the committed amount of SDR 185.1 mn. This is 52% disbursement. The main reason for the slow disbursement has been the large amount of audit disallowances and the differences between the audited and claimed figures which result in much of the IUFR based claims being held back as deductions. Table 1 below shows the comparison of audited vs. claimed figures.

Table 1

Statement of total disallowances made by the bank in the 25 reports received and accepted in FY 2011-12

Sr.	Name	Reported in ICFR	Submitted for Audit	Disallowed in Audit	Expenditure admitted out of expenditure reported in ICFR	Difference between expenditure submitted for audit and ICFR	Adjustment to be made in future ICFRs as per Bank
		(i)	(ii)	(iii)	(iv) = (ii) minus (iii)	(v) = (ii) minus (i)	(vi) = (iv) plus (v)
	CFLs						
1	Apex Hi Tech Bangalore	117597.000	14358.000	2840.000	11518.000	-103239.000	-106079.000
2	ATI Howrah	9603.200	9603.200	6262.000	3341.200	0.000	-6262.000
3	ATI Mumbai	4355.000	4355.000	0.000	4355.000	0.000	0.000
4	FTI Bangalore	9888.000	9888.000	27.000	9861.000	0.000	-27.000
5	ATI Chennai	3349.055	3827.911	0.000	3827.911	478.856	478.856
6	ATI EPI Hyderabad	1958.170	1964.138	236.634	1727.504	5.968	-230.666
7	ATI Hyderabad	2349.000	2358.395	36.571	2321.824	9.395	-27.176
8	CTI Chennai	3668.000	3667.554	0.000	3667.554	-0.446	-0.446
9	NIMI Chennai	9997.000	10000.000	0.000	10000.000	3.000	3.000
10	NPIU, DGET	98808.985	98808.985	23209.918	75599.067	0.000	-23209.918
	Total of CFLs (a)	120130.210	120626.983	23483.123	97143.860	-102742.227	-135354.350
	States / UTs						
11	Andaman & Nicobar	4456.000	6956.000	234.000	6722.000	2500.000	2266.000
12	Daman & Diu	9022.000	9022.000	0.000	9022.000	0.000	0.000
13	Arunachal Pradesh	760.000	1210.000	0.000	1210.000	450.000	450.000
14	Chattisgarh	56816.920	122323.000	65366.000	56957.000	65506.080	140.080
15	Goa	75183.827	75157.740	0.000	75157.740	-26.087	-26.087
16	Himachal Pradesh	17790.630	28798.423	12035.000	16763.423	11007.793	-1027.207
17	Haryana	123362.007	123362.007	4342.259	119019.748	0.000	-4342.259

Sr.	Name	Reported in IUFRR	Submitted for Audit	Disallowed in Audit	Expenditure admitted out of expenditure reported in IUFRR	Difference between expenditure submitted for audit and IUFRR	Adjustment to be made in future IUFRRs as per Bank
		(i)	(ii)	(iii)	(iv) = (ii) minus (iii)	(v) = (ii) minus (i)	(vi) = (iv) plus (v)
18	Jharkhand	9381.304	5664.041	5663.981	0.060	-3717.263	-9381.244
19	Karnataka	166573.960	110144.872	17235.100	92909.772	-56429.088	-73664.188
20	Kerala	26361.945	20865.300	4452.750	16412.550	-5496.645	-9949.395
21	Madhya Pradesh	246350.957	226128.000	0.000	226128.000	-20222.957	-20222.957
22	Maharashtra	209977.000	190778.980	17540.020	173238.960	-19198.020	-36738.040
23	Puducherry	5540.000	842.000	0.000	842.000	-4698.000	-4698.000
24	Punjab	87353.970	82225.900	17969.330	64256.570	-5128.070	-23097.400
25	Uttar Pradesh	54742.000	39680.000	59.845	39620.155	-15062.000	-15121.845
	Total of States / UTs (b)	1080194.520	1027180.263	144664.285	882515.978	-50514.257	-195412.542
	Grand Total (a + b)	1200324.730	1147807.246	168147.408	979659.838	-153256.484	-330766.892

Conclusion

MoLE has committed to the following action plan to improve the FM rating from MS to S:

Action Plan to Support Upgrading FM Rating to Satisfactory

	Date
Receipt of Acceptable Audit Reports for 18 states and 5 CFIs ³	April 30, 2013
Reconciliation of state wise IUFRs with Audit Reports.	April 30, 2013
Capacity enhancement of NPIU through hiring of 1 CA/ICWA.	Feb 28, 2013
Completion of Maharashtra Special Audit.	July 31, 2013

³ States : Andhra Pradesh; Assam; Bihar; Delhi; Gujarat; J&K; Lakshwadweep; Manipur; Meghalaya; Mizoram; Nagaland; Orissa; Rajasthan; Sikkim; TN; Tripura; Uttarakhand and WB.
CFI: ATI- EPI Dehradun; ATI Kanpur, ATI Ludhiana; CSTARI Kolkata; NVTI Noida.

Annex 8

Procurement

The Procurement Specialist from the Bank could not participate in the JRM. The following inputs for the *Aide Memoire* is based on review of procurement documents which are sent for prior review of Bank and discussions with NPIU during various meetings preceding the JRM.

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. During the review period there was only one ICB for Procurement of computers which is in Bid Evaluation Stage. The NPIU has agreed to send the Bid Evaluation Report for Bank's review by end of November 2012.

2. Follow up on AM of Fifth JRM :

The following agreed actions are still pending :

- Ensure disclosure of approved Procurement Plans, contract wise physical and financial progress, complaint handling mechanism, list of contracts and NCB contract awards on respective SPIU and NPIU websites.
- Publish complaint handling mechanism on NPIU website.

3. Selection of Consultant for Special Audit for SPIU Maharashtra :

The Technical Evaluation Report (TER) for the Consultant selection process for Special Audit for SPIU Maharashtra was reviewed by Bank and comments were shared with NPIU. The NPIU shall send a revised TER, after incorporating Bank's comments, by December 10, 2012.

4. Procurement Capacity Building:

All concerned person handling procurement across all implementing agencies under VTIP have undergone procurement training on World Bank procurement procedures. Further, the NPIU has augmented its procurement capacity by having one more procurement specialist on board.

5. Procurement Post Review:

The Risk Mitigation Action Plan shared along with PPR reports for FY 10 and FY 11 have been submitted by the Project which is being reviewed by Bank. For FY13 Procurement Post Review (PPR), 10 States and ATI Kanpur have been selected out of which list of contracts of only five States (Tripura, Kerala, Goa, Chattisgarh, West Bengal) and ATI Kanpur have been received. List of contracts for remaining five States selected for PPR FY13, i.e. Uttarakhand, Orissa, Delhi, Rajasthan and Assam are pending. A workshop shall be organized tentatively in the month of February, 2013 to discuss SPIU-wise risk mitigation action plan.

6. Complaint Handling:

There are no outstanding complaints in the Bank's project compliant database. As agreed during last Mission, NPIU is yet to publish the approved complaint handling mechanism on NPIU website.

7. Disclosure Management:

The mission observed that all the procurement plans approved by Bank are not being published on NPIU and State PIU websites. Publication of approved procurement plans and details of awarded contracts are part of mandatory procurement disclosures and that the same shall be updated by the respective State PIUs and NPIU at the earliest.

8. 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 on respective SPIU and NPIU websites by April 30, 2013.
- Submit comments on the risk mitigation action plan and on the deviations identified during PPR FY 12 by February 28, 2013, for Bank's review.
- Award contract for Special Audit by January 31, 2013.
- Publish complaint handling mechanism in the NPIU website by January 31, 2013.

9. Rating for Procurement Performance:

The procurement performance during the period of review has been rated as Moderately Satisfactory (MS). The above assessment is based on (i) Submission of PPR Risk Mitigation Action Plan (ii) Augmentation of NPIU Procurement Capacity Building (iii) No outstanding procurement complaint (iv) General improvement in quality of procurement documents sent for Bank's review.

The rating shall be reviewed again, during the next mission, vis-à-vis the procurement performance and agreed actions for next 6 months.

Annex 9
Expenditure Table

Releases to the State Government under World Bank assisted Vocational Training Improvement Project (VTP)														Amt in Rs (As on Nov 2012)	
States/UTs	Total no. of VTPs covered under VTP	Total central allocation - (UPs, ITW, SPTU, MIS, Incentive)	Total allocation - (UPs, ITW, SPTU, MIS, Incentive) including State share	Total Central funds released till March 2012	Total Central funds released in FY 2012-13	Proposal under process in FY 2012-13	Total Central funds released till date [3+4]	State Share @ 25% (10% for NE) to be provided by the State	Total funds released (central and State share) till date [6+7]	Expenditure (IUTR) till Sept. 2012 (includes State share)	% expenditure against releases	% expenditure against allocation	Balance funds not yet released against central allocation - [1-6]	% of amt. released against allocation	Total funds yet to be utilised by the States against allocation (CS+SS) [2-8]
1 AP	25	6545.95	8727.93	5241.09	62.12	0.00	5303.21	1767.74	7070.95	4349.12	62%	50%	1242.73	81%	4378.81
2 A&N I	1	178.26	237.67804	123.01	51.81	0.00	174.82	58.27	233.09	208.68	90%	88%	3.44	98%	29.00
3 A.Pr.	1	197.18	219.09	166.85	13.46	0.00	180.31	20.03	200.34	164.64	82%	75%	16.88	91%	54.45
4 AS	7	2276.22	2529.13	1646.60	0.00	0.00	1646.60	182.96	1829.55	1496.98	82%	59%	629.62	72%	1032.16
5 BH	8	2057.50	2743.33	1528.52	0.00	0.00	1528.52	509.51	2038.02	875.50	43%	32%	528.98	74%	1867.83
6 CG	18	3851.46	5135.28	3123.23	315.01	123.72	3438.24	1146.08	4584.33	3013.51	66%	59%	413.21	89%	2121.97
7 D&D	1	152.94	203.92	90.39	53.76	0.00	144.15	48.05	192.20	136.60	71%	67%	8.79	94%	67.32
8 Delhi	3	716.35	955.13	519.39	0.00	0.00	519.39	173.13	692.52	467.45	67%	49%	196.96	73%	487.68
9 Goa	7	1857.99	2477.32	1562.34	24.00	0.00	1586.34	528.78	2115.13	1939.21	92%	78%	271.65	85%	538.11
10 GJ	29	8636.57	11515.43	7851.81	126.25	0.00	7978.06	2659.35	10637.42	9509.63	90%	83%	658.51	92%	1935.80
11 HR	16	3897.41	5196.55	3338.55	283.10	0.00	3621.65	1207.22	4828.87	4784.86	99%	92%	275.77	93%	411.69
12 HP	11	2557.57	3410.10	2293.61	154.00	0.00	2447.61	815.87	3263.49	3026.51	93%	89%	109.96	96%	383.59
13 J&K	10	1700.22	2266.97	1060.05	215.00	0.00	1275.05	425.02	1700.07	1046.58	62%	46%	425.17	75%	1220.38
14 JH	3	820.41	1093.88	762.66	0.00	0.00	762.66	254.22	1016.88	671.35	66%	61%	57.75	93%	422.54

15	KA	30	8674.28	11565.70	7426.53	353.16	0.00	7779.69	2593.23	10372.92	8939.31	86%	77%	894.59	90%	2636.39
16	KL	7	2027.19	2702.92	1703.06	177.27	0.00	1880.33	626.78	2507.10	2134.50	85%	79%	146.87	93%	568.43
17	LK	1	57.51	76.68	25.81	0.00	0.00	25.81	8.60	34.41	20.13	59%	26%	31.70	45%	56.55
18	MP	28	5944.44	7925.92	5298.74	0.00	0.00	5298.74	1766.25	7064.99	7042.16	100%	89%	645.70	89%	883.77
19	MH	87	22201.68	29602.24	20574.96	490.95	263.08	21065.91	7021.97	28087.88	27623.28	98%	93%	1135.77	95%	1978.96
20	MN	2	370.43	411.59	283.62	0.00	0.00	283.62	31.51	315.13	302.24	96%	73%	86.81	77%	109.35
21	MG	1	278.18	309.09	201.37	0.00	0.00	201.37	22.37	223.74	36.42	16%	12%	76.82	72%	272.67
22	MZ	1	236.41	262.68	177.42	0.00	0.00	177.42	19.71	197.13	146.15	74%	56%	58.99	75%	116.53
23	NG	1	242.40	269.33	232.86	0.00	0.00	232.86	25.87	258.74	241.31	93%	90%	9.53	96%	28.02
24	OR	9	2504.50	3339.34	2113.76	227.92	0.00	2341.68	780.56	3122.24	2437.28	78%	73%	162.82	93%	902.06
25	PD	1	168.62	224.83	141.79	6.90	0.00	148.69	49.56	198.25	160.39	81%	72%	19.94	88%	64.04
26	PJ	27	7268.00	9690.67	5757.80	0.00	0.00	5757.80	1919.27	7677.07	6366.23	83%	66%	1510.20	79%	3324.44
27	RJ	10	2232.96	2977.27	1565.86	76.12	0.00	1641.98	547.33	2189.31	1663.59	76%	56%	590.98	74%	1313.88
28	SK	1	208.27	231.42	206.38	0.00	0.00	206.38	22.93	229.31	239.15	104%	103%	1.90	99%	0.00
29	TN	17	4226.29	5635.06	2975.29	346.00	0.00	3321.29	1107.10	4428.38	3582.19	81%	64%	905.01	79%	2052.86
30	TR	1	335.55	372.83	321.50	0.00	0.00	321.50	35.72	357.23	349.75	98%	94%	14.04	96%	23.08
31	UP	16	4149.38	5532.50	3769.49	0.00	0.00	3769.49	1266.50	5025.98	4509.65	90%	82%	379.89	91%	1022.85
32	UK	10	1906.28	2541.71	1479.75	95.37	0.00	1575.12	525.04	2100.15	1920.47	91%	76%	331.17	83%	621.24
33	WB	10	2355.84	3141.12	1894.94	202.46	18.39	2097.40	699.13	2796.53	2215.99	79%	71%	258.44	89%	925.12
JRM /Workshop 3601			25.92	25.92	25.92			25.92								25.92
JRM /Workshop 3602			1.31	1.31	1.31			1.31								1.31
CHIs (As per IUFRR till Sept.2012)				9158.95				9158.95		9158.95	9158.95					
				142710.8				97919.8		126748.2	110849.7					

AP-Andhra Pradesh; AS-Assam; A&N-Andaman & Nicobar Island; A.Pr-Arunachal Pradesh; BH-Bihar; CG-Chhattisgarh; D&D-Daman & Diu; GJ-Gujarat; HR-Haryana; HP- Himachal Pradesh; JH-Jharkhand; JK-Kashmir; J&K- Jammu & Kashmir; JH-Jharkhand; KL-Kerala; KA-Karnataka; LK- Lakshadweep; MP- Madhya Pradesh; MH- Maharashtra; MG- Meghalaya; MZ-Mizoram; MN-Manipur; OR-Orissa; NG-Nagaland; PJ-Punjab; PD- Puducherry; RJ- Rajasthan; SK-Sikkim; TR-Tripura; TN-Tamil Nadu; UP-Uttar Pradesh; UK-Uttarakhand; WB-West Bengal