

## National Scheme for Industrial Training Institute (ITI) Upgradation

*Prelims: Economic Development | Social Sector initiatives | Current events of national and international importance*

### Why in News?

Recently, Cabinet approved National Scheme for Industrial Training Institute (ITI) Upgradation and Setting up of 5 National Centres of Excellence for Skilling.

- **Launched by** – Ministry of Skill Development and Entrepreneurship (MSDE).
- **Objectives** – To position existing ITIs as government-owned, industry-managed aspirational institutes of skills, in collaboration with State Governments and industry.

*Industrial Training Institutes (ITIs) have been the backbone of vocational education and training in India since the 1950s, operating under State Governments.*

- **Funding pattern** - **Centrally Sponsored Scheme**, includes Central share, State share and Industry share.
- It has co-financing to the extent of 50% of Central share by the Asian Development Bank and the World Bank, equally.
- **Focus** - **Upgradation of 1,000 Government ITIs** in hub and spoke arrangement with industry aligned revamped trades (courses).
- Capacity Augmentation of 5 National Skill Training Institutes (NSTIs).
- **Target** – Over a 5-year period, 20 lakh youth will be skilled through courses that address the human capital needs of industries.
- Ensuring alignment between local workforce supply and industry demand, thereby facilitating industries, including MSMEs, in accessing employment-ready workers.
- **Implementation** - For the first time, it seeks to establish deep industry connect in planning and management of ITI upgradation on a sustained basis.
- It will adopt an industry-led Special Purpose Vehicle (SPV) model for an outcome-driven implementation strategy, making it distinct from previous efforts to improve the ITI ecosystem.
- **Activities** – Infrastructure upgradation for improved Training of Trainers (ToT) facilities will be undertaken in 5 National Skill Training Institutes (NSTIs) like
  - Bhubaneswar, Chennai, Hyderabad, Kanpur, and Ludhiana
- Additionally, pre-service and in-service training will be provided to 50,000 trainers.
- **Significance** - It will create a pipeline of skilled workers aligned with industry demand, addressing skill shortages in high-growth sectors such as electronics,

automotive, and renewable energy.

- It *aligns with the Prime Minister's vision of Viksit Bharat* (developed India) by 2047.

## Reference

[PIB| Approval for launch of NSTIs](#)

