

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](#)

