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