Salient features of the Scheme "Upgradation of 1396 Government ITIs through Public Private Partnership".

SELECTION OF ITI AND INDUSTRY PARTNER

1. For each ITI to be covered under this Scheme, one Industry Partner will be associated to lead the process of upgradation in the ITI. The Industry Partner will be identified by the State Government in consultation with Industry Associations.

FORMATION OF IMC AND ITS REGISTRATION AS A SOCIETY

2. An Institute Management Committee (IMC) will be constituted / reconstituted for each selected ITI. The IMC will be converted by the State Government into a Society under relevant Societies Registration Act. The IMC registered as a society will be entrusted with the responsibility of managing the affairs of the ITI under the Scheme.

3. The IMC will be lead by the Industry Partner. In the IMC, the members will be as follows:

- Industry Partner or its representative as Chairperson
- Four members from local Industry to be nominated by the Industry Partner in such a way that the IMC is broad based.
- Five members nominated by the State Govt. [i) District Employment Officer, ii) One representative of the State Directorate dealing with ITIs, iii) One expert from local academic circles, iv) One senior faculty member, v) One representative of the students].
- Principal of the ITI, as ex -officio member secretary of the IMC Society.

SIGNING OF MEMORANDUM OF AGREEMENT

4. A Memorandum of Agreement (MOA) will be signed among the Central Government, State Government and the Industry Partner in which the terms and conditions for participating in this Scheme and the roles and responsibilities of different parties will be set out. This MOA will be signed by the Industry Partner or its representative on behalf of the IMC also as its Chairman. The MoA shall be effective upto the repayment of the loan provided to the IMC.

5. An interest free loan of upto Rs. 2.5 crores will be given by the Central Govt. directly to the IMC for upgradation of the ITI into a centre of excellence. The IMC will be delegated the power to determine upto 20% of the admissions in the ITI. The specific functions and responsibilities of the IMC for upgradation of the ITI will be spelt out in the MOA and included in its Memorandum of Association and Rules and Regulations while registering it as a society.

ROLE OF INDUSTRY PARTNER

6. Though financial contribution by the Industry Partner will not be a pre condition to participate in the Scheme, however it will be desirable if Industry Partner contributes financially in the upgradation of the ITI. The Industry Partner may contribute machinery and equipment which may be instrumental in furthering the objectives of this Scheme. It will arrange to provide training to the faculty members and on the job training to the students of the ITI.

ROLE OF STATE GOVERNMENT

7. The administrative control of the staff of the ITI will remain with the State Government and it shall continue to pay their salaries and other emoluments. The State Government will be required to ensure that the sanctioned strength of the instructors in the ITI is always filled up and in no case the vacancies shall exceed 10% of the sanctioned strength at any point of time. They will be required to ensure that all additional positions required by the ITI are sanctioned and filled up on priority. It has to ensure provision of funds to meet office, administrative and other running expenses of the ITI. The State Government, as the owner of the ITI, will continue to regulate admissions and fees except upto 20% of the admissions which will be determined by the IMC.

MONITORING AGENCIES

8. The Central Government will constitute a National Steering Committee (NSC) with adequate representation from industry, State Governments and other Central Government Departments to act as an Apex body for guiding implementation and monitoring of the Scheme. It shall also set up a National Implementation Cell (NIC) at the Central level for management, monitoring and evaluation of the Scheme.

9. To monitor implementation of the Scheme at the State level, the State Government will set up a State Steering Committee (SSC) with adequate representation from the Industry. The SSC will be assisted by a State Implementation Cell (SIC) with sufficient staff for management, monitoring and evaluation of the Scheme at State level.

INSTITUTE DEVELOPMENT PLAN

10. The interest free loan will be released to the IMC directly on the basis of an Institute Development Plan (IDP) prepared by it. The IDP should be developed in such a way that it leads to upgradation of the ITI as a whole. Simultaneous upgradation in a particular trade sector may also be taken up. The IDP will define the long term goals of the Institute, the issues and challenges facing the Institute and the strategies for dealing with them. It will set targets for institutional improvement, define Key Performance Indicators and detail the financial requirement with year-wise break up to meet the needs. The IDP will be submitted to the State Steering Committee (SSC), which will scrutinize it and forward to the Central Government for release of funds.

CONDITIONS FOR USE OF FUNDS OF IMC

11. The interest free loan received by the IMC shall be kept in a separate bank account opened in the name of the IMC in a public sector bank. Any private contributions, special grants received from State Government and revenue generated by the IMC shall also be deposited in this bank account. The loan amount may be used for providing additional civil work in the ITI, which shall not exceed 25% of the total loan amount; for use as seed money, which shall not exceed 50% of the total loan amount; for procurement of machinery and equipment and for other activities directly related to upgradation of training infrastructure in the ITI. Any deviation from this pattern of use of funds has to be justified by the IMC and prior approval obtained from the NSC.

REPAYMENT OF LOAN AND BOOKS OF ACCOUNTS

12. For the repayment of loan, there will be a moratorium of ten years from the year in which the loan is released to the IMC. After the moratorium, the loan will be payable by the IMC in equal annual installments over a period of twenty years, the first installment repayable from the 11th anniversary of the day of drawl. In case of default in payment of installment of the loan the NSC may impose penalty on such overdue payments or take any other action deemed fit.

13. The IMC will maintain regular books of accounts, get them audited and prepare annual reports and statements of accounts as required under the relevant Societies Registration Act. The Central Government may call for its books of accounts, vouchers, documents, etc. relating to any accounting year and also authorise an officer for their inspection.

KEY PERFORMANCE INDICATORS

14. With the broad objective of improving the quality of training leading to better employability, all the three parties will jointly agree and finalise Key Performance Indicators (KPIs) as yearly targets for next five years, for improving the internal as well external efficiency of the ITI against the base line information. These parameters will be used to evaluate the success of the scheme during and after the project period. The agreed KPIs signed by the IMC and the State Government will be appended to the MOA.

MONITORING MECHANISM

15. The IMC will be required to submit quarterly report about the implementation of the Scheme to the SSC, which will in turn submit a consolidated report to the NSC about all the ITIs covered under the Scheme. In case of unsatisfactory performance in achieving the KPIs, the IMC will submit a detailed report to the SSC within 30 days of receipt of a notice in this regard, inter alia, indicating the reasons for failure and measures required to be taken. The SSC will forward this report to the NSC with their comments. The NSC will fix responsibility for such failure and ensure that necessary corrective action is taken.