OPERATIONALISATION OF PM–SETU

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The Pradhan Mantri Skilling and Employability through Upgraded ITIs (PM SETU) scheme envisages to enhance the overall quality and relevance of vocational training with upgraded labs, machines, and industry-aligned curriculum in the country.

The key objectives of the scheme are:

i. To improve the quality of training delivery in ITIs and NSTIs;
ii. To modernize infrastructure and equipment as per industry standards;
iii. To introduce industry-aligned long-term and short-term courses, especially in new and emerging sectors;
iv. To strengthen industry linkage for demand-driven skilling and better employment outcomes; and
v. To enhance the capacity of National Skill Training Institutes (NSTIs) for training of trainers.

The scheme comprises of two components:

i. Component I – Upgradation of 1,000 Government ITIs (200 Hub ITIs and 800 Spoke ITIs) in a Hub and Spoke model wherein upgradation includes smart classrooms, modern labs, digital content, and new courses aligned to industry needs.
ii. Component II – Capacity Augmentation of five NSTIs located in Bhubaneswar, Chennai, Hyderabad, Kanpur, and Ludhiana, including setting-up sector-specific National Centres of Excellence for skilling, with focus on advanced training of trainers with global partnership.

Pradhan Mantri Skilling & Employability Transformation through Upgraded ITIs (PM SETU) is a Centrally Sponsored Scheme announced under Budget 2024-25 and Budget 2025-26 with an outlay of ₹60,000 crore (Central Share: ₹30,000 crore, State Share: ₹20,000 crore and Industry Share: ₹10,000 crore), with co-financing to the extent of 50% of Central share by the Asian Development Bank and the World Bank, equally.

Under the PM-SETU scheme industry-led Special Purpose Vehicles (SPVs) would lead the upgradation and be empowered to propose necessary interventions relating to curriculum redesign, training delivery models, infrastructure upgradation and industry exposure, in alignment with local industry needs and the Scheme guidelines.

The selection of ITIs under PM-SETU scheme is led by the respective State/UT Governments in consultation with industry, ensuring alignment with emerging skill needs and local industrial potential. Accordingly, States/UTs are required to submit proposals for upgradation in collaboration with industry partners. Ministry of Skill Development and Entrepreneurship (MSDE) has constituted National Steering Committee (NSC) chaired by Secretary, MSDE, an apex body to provide the overall vision for the scheme, facilitate broad policy direction, finalize operational guidelines, monitor, and conduct course correction. 32 States/UTs have constituted their State Steering Committee (SSC) led by Chief Secretary of the State/UT, an apex body at the State/UT level for guiding and overseeing the implementation of scheme. 19 States/UTs have floated their proposal for inviting the interest of industry. For selection of the industry partner to form Special Purpose Vehicle (SPV), a Strategic Investment Plan (SIP) by industry is required to be submitted in response to the Request for Proposal (RFP). Further, MSDE has floated Expression of Interest for inviting industry partner to lead the Institute Management Committee (IMC) for National Skill Training Institute (NSTI). Further, in respect to the National Centres of Excellence for Skilling in the selected NSTIs under the PM-SETU scheme, a Memorandum of Understanding has been signed with Singapore for NSTI Chennai, a Joint Declaration of Intent has been exchanged with Germany for NSTI Hyderabad, and a Letter of Intent has been exchanged with France for NSTI Kanpur to strengthen institutional capacity and align training with global standards.

This information was given by the Minister of State (Independent Charge), Ministry of Skill Development and Entrepreneurship (MSDE), Shri Jayant Chaudhary in a written reply in the Lok Sabha today.

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