

World Bank Approves \$830m Programme to Modernise India's Skills Training Institutes and Boost Job Outcomes

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The World Bank's Board of Executive Directors has approved an \$830 million financing programme to overhaul India's network of Industrial Training Institutes (ITIs), with the aim of aligning skills training more closely with labour market needs and improving employment outcomes for young people.

Jobs are central to India's ambition of becoming *Viksit Bharat*, yet skills mismatches remain a major constraint. Although ITIs play a critical role in skilling youth, many suffer from outdated facilities, shortages of qualified trainers, and weak industry links. As a result, fewer than half of ITI graduates currently secure jobs after completing their training.

The **Supporting Pradhan Mantri Skilling and Employability Transformation Through Upgraded ITIs (PM-SETU)** programme will revamp the national ITI system to produce more than one million better-skilled workers each year. Prepared jointly with the Asian Development Bank, the programme will also mobilise at least \$680 million in private sector investment, bringing industry more directly into skills development.

"With more than 12 million people entering the labour market every year, job creation is a national priority for India," said Paul Procee, Acting Country Director for World Bank India. "By supporting India's \$4 billion investment to upgrade ITIs, this programme embeds industry-driven training so that strong placement outcomes become the norm rather than the exception."

Over the next five years, the programme will modernise curricula, strengthen facilities, and introduce a

hub-and-spoke model that allows ITIs to operate as specialised, resource-efficient centres of excellence. Institutes will also be supported to generate their own revenues by offering a balanced mix of training, consultancy, and production services.

Gender inclusion is a key focus. Traditionally male-dominated trades such as electrical, mechanical, and welding courses will be updated, with a target that at least 25 percent of ITI students are women, improving access to better-paid and more stable employment.

"The programme will help ITIs become financially stronger and more responsive to industry demand," said task team leaders Marguerite Clarke and Toby Linden. "This shift is essential to improving both quality and scale across the system."

The \$830 million loan has a final maturity of 19.5 years, including a four-year grace period, and forms part of the World Bank Group's wider strategy to support private sector-led job creation and productivity growth in India.