

MIS Code of the ITI: GU06000071

## PERFORMANCE-BASED GRANT AGREEMENT

THIS PERFORMANCE-BASED GRANT AGREEMENT (hereinafter called 'this Agreement') is made on this 30<sup>th</sup> day of March, 2021 between the President of India acting through SMT. NEELAM SHANTI RAO, Director General/Joint Secretary, Ministry of Skill Development and Entrepreneurship, Government of India, Shivaji Stadium, New Delhi (hereinafter called 'the First Party');

The Governor/ Administrator of the State/UT of **Haryana** acting through Sh. RAJA SEKHAR VUNDRU, IA, Additional Chief Secretary, Government of Haryana, Skill Development and Industrial Training Department (hereinafter called 'the Second Party')

AND

**Sh Sukhdev Singh**, the Chairperson of the Institute Management Committee for the ITI with the name of **Govt. Industrial Training Institute (women) located at Faridabad** (hereinafter called 'the Third Party')

(Hereinafter jointly called "the Parties").

WHEREAS the First Party has launched, with assistance from the World Bank, the Skills Strengthening for Industrial Value Enhancement (STRIVE) Project with the main objective to increase access to quality and market-driven vocational training provided in ITIs and apprenticeships;

AND WHEREAS the First Party envisions to provide results-based funding to ITIs to incentivize ITIs to improve their performance;

AND WHEREAS in pursuance of the above, the First Party has launched the Performance-Based Grant Agreement Scheme (hereinafter called 'the Scheme') that envisions to provide amount to select ITIs based on their performance on agreed indicators, in accordance with the operations manual for the STRIVE Project adopted by the First Party and as amended from time to time (hereinafter called 'the Operations Manual');

AND WHEREAS the Third Party commits to the objectives of the STRIVE Project, and undertakes to conduct its operations and affairs under the STRIVE Project in accordance with sound technical, financial, procurement, managerial, social and environmental, and labour standards, consistent with the minimum requirements set forth in the Operations Manual and the environmental and social systems assessment applicable to the STRIVE Project;

AND WHEREAS the Parties enter into this Agreement to specify the targets with respect to the performance of the **Government Industrial Training Institute (women), Sector 18 A, Old Faridabad** (hereinafter called 'the ITI'); and the corresponding funding arrangements.

## **THE PARTIES HEREOF AGREE AS FOLLOWS:**

### **1. Term**

This Agreement shall remain in effect until closure of Project.

### **2. Amount and Purpose**

- a. The First Party undertakes to make available to the Third Party, upon request and subject to the terms and conditions provided herein, in particular the provisions set forth in Clause **Error! Reference source not found.** hereinafter, funding as per allocation approved by the National Steering Committee (hereinafter called 'the NSC') established by the First Party in accordance with the Operations Manual.
- b. The Third Party shall apply all funds from funding provided under the Scheme exclusively towards the financing of activities as provided for in the Institute Strategic Plan (hereinafter called 'the ISP') prepared by it in accordance with Clause **Error! Reference source not found.** hereinafter and for the purposes laid down in the Operations Manual.
- c. The Second Party undertakes to monitor the performance of the ITI regularly and to share monitoring reports for ensuring timely release of funds to the Third Party in accordance with the terms and conditions provided herein.
- d. The Parties shall be guided by the Operations Manual in the execution of their responsibilities under this Agreement.

### **3. Institute Strategic Plan**

- a. The Third Party shall submit to the Second Party an ISP in the template as prescribed by the First Party detailing its plans and cost estimates for Improved Performance of the ITI during the duration of the Scheme in the reform areas enumerated in the Operations Manual and for the achievement of the Key Performance Indicators laid down in Clause **Error! Reference source not found.** hereinafter.
- b. The Second Party shall cause the Third Party to undertake a review of the ISP on an annual basis and submit the revised ISP to the Second Party every year.

### **4. Key Performance Indicators**

The following Key Performance Indicators (hereinafter called 'KPIs') shall be measured under the Scheme, on the basis of performance on which amount shall be provided to the Third Party:

- i. Percentage increase in number of graduates from project ITIs
- ii. Increase in female enrolment rate across trades being conducted at the respective project ITIs
- iii. Percentage increase in total enrolments in project ITIs

- iv. Increase in percentage of total trainees who have undergone OJT as per the prescribed curriculum
- v. Increase in percentage of total trainees from project ITIs who are in gainful employment

The targets for each KPI and the amount corresponding to each target are specified in the Schedule and constitute an integral part of this Agreement.

#### **5. Eligible Expenditures**

- a. The Third Party shall utilize the funds received under the Scheme for expenditures recognized as eligible in the Operations Manual. Utilization of funds for any other expenditure shall not be considered valid under this Agreement.
- b. The funds received under the Scheme shall not be used to finance activities excluded from the STRIVE Project in accordance with the agreement between the Government of India and the World Bank and as eligible in the Operations Manual.

#### **6. Project Accounts**

- a. The Third Party shall designate the account of the Institute Management Committee Society account to be used for the sole purposes of the Scheme. Such account shall be called the ITI Project Account.
- b. All funds released under the Scheme shall be transferred by the First Party to the ITI Project Account.
- c. The Third Party shall make all expenditures in relation to and for the purpose of the Scheme from the ITI Project Account.

#### **7. Release of Funds**

- a. The First Party shall release to the Third-Party funding amounting to 40% of the allocation approved by the NSC upon execution of this Agreement and specified in the Schedule which constitute an integral part of this Agreement.
- b. For further instalments after the release of funds under sub-clause (a) above, the Third Party shall make an application for release of funds in accordance with the Operations Manual.
- c. The Third Party shall be entitled to receive funds allocated only against those targets that it is able to meet in accordance with the timeline agreed upon and laid down in the Schedule. Where the Third Party fails to meet any target in accordance with the timeline in the Schedule, the amount allocated for the target shall lapse.
- d. The Third Party shall be entitled to receive funds when
  - i. the Third Party has achieved one or more targets for KPIs in accordance with the timeline set forth in the Schedule;
  - ii. the Second Party has verified that such target(s) has/have been achieved; and

- iii. the Third Party submits evidence that it has incurred expenditure up to the amount of funds allocated for the target(s) against which funds have been claimed.
- e. If the expenditure incurred by the Third Party to achieve a milestone exceeds the amount of funds allocated for such milestone, the Third Party shall not be entitled to receive amount in excess of the allocated amount of funds.

#### **8. Release of Amount only on Achievement of Targets**

The First Party shall not be liable to provide amount to the Third Party if the targets for KPIs as laid down in the Schedule are not achieved, even if the Third Party incurs expenditure in undertaking activities towards the achievement of the targets or in undertaking other activities for the purposes of the Scheme.

#### **9. Procurement and Financial Management**

The Third Party shall carry out all procurement activities and maintain records and accounts adequate to reflect, in accordance with sound procurement and accounting practices set forth in the Operations Manual, the operations, resources and expenditures incurred in the implementation of the ISP; and have such records and accounts audited in accordance with appropriate auditing principles consistently applied by an independent auditor, in accordance with the Operations Manual.

#### **10. Monitoring**

The Third Party shall:

- a. establish and/or maintain policies and procedures that would allow the First Party, Second Party and/or the World Bank to carry out supervision and monitor its activities under the Scheme;
- b. prepare and furnish to the First Party, Second Party and/or the World Bank, all such information that the First Party, Second Party and/or the World Bank, shall reasonably request in relation to its activities under the Scheme; and
- c. Accept random and/or unannounced physical or documentary inspections by the First Party, Second Party and/or the World Bank for the monitoring of, and in relation to, the carrying out of its activities under the Scheme.

#### **11. Anti-Corruption**

The Third Party shall undertake all activities under the Scheme in compliance with the World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing dated February 1, 2012 and revised July 10, 2015 ('the Anti-Corruption Guidelines').

#### **12. Suspension and Termination**

- a. The First Party and/or the Second Party shall have the right to suspend or terminate the right of the Third Party to withdraw and use the proceeds of the released amount:
  - i. upon any failure of the Third Party to perform its obligations under this Agreement;

Or

- ii. Upon the World Bank declaring the Third-Party ineligible under the Anti-Corruption Guidelines.
- b. The Third Party acknowledges and consents to the First Party's right of restitution of any amounts released under this Scheme with respect to which fraud and corruption has occurred, or with which an ineligible expenditure has been paid.

### 13. Environmental and Social Systems

The Parties shall carry out the Project in accordance with environmental and social management systems set out in the World Bank's Environmental and Social Systems Assessment, dated June 30, 2016, as amended from time to time, and applicable to the Project, which sets forth the Project's environmental and social benefits, risks and impacts, and recommends remedial measures to strengthen the social and environmental systems performance

Signed at 20 day of March 2021

For and on behalf of  
The Governor/ Administrator  
State/UT Government of  
Haryana

For and on behalf of  
IMC as Chairperson

For and on behalf of  
The President of India

(.....)

(Sh. Sukhdev Singh)

(.....)

Additional Chief Secretary  
Government of Haryana

Chairman, IMC Society of  
Govt. Industrial Training  
Institute (women),  
Faridabad

Director General/ Joint  
Secretary, DGT, Ministry of  
Skill Development and  
Entrepreneurship,  
Government of India

Skill Development &  
Industrial Training  
Department, Haryana

Raja Sukhar Vundru, IAS  
Additional Chief Secretary to Govt. Haryana  
Skill Dev. & Industrial Training Department.

Witnesses

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Witnesses:

1.

*Voodh*  
(Vishal Boodh)  
Assistant Director

Member 1.

*Ashu Kewar*  
*Ashu Kewar*

1.

*Parveen Kumar*  
प्रवीण कुमार, आई.एस.ओ.एस./PARVEEN KUMAR, ISDS  
उप निदेशक प्रशिक्षण/Deputy Director of Training  
भारत सरकार/Govt. of India  
कौशल विकास एवं उद्यमशीलता मंत्रालय (डी जी टी)  
Ministry of Skill Development and Entrepreneurship (DGT)  
भारत भवन, नई दिल्ली/Kaushal Bhawan, New Delhi

2.

*Rajinder*  
Rajinder Parshad Patwal  
Deputy Superintendent

Member 2.

*Jagjit Singh*  
(JAGJIT SINGH  
SODHI)

2.

*Chitra*  
चित्रा / CHITRA  
प्रशिक्षण अधिकारी/Training Officer  
प्रशिक्षण महानिदेशक/Director General of Training  
कौशल विकास एवं उद्यमशीलता मंत्रालय  
Ministry of Skill Development and Entrepreneurship  
भारत सरकार/Govt. of India  
नई दिल्ली/New Delhi

*Rabala*  
Member Secretary  
Institute Management Committee  
I.T.I. (W), Faridabad