

PERFORMANCE-BASED GRANT AGREEMENT

THIS PERFORMANCE-BASED GRANT AGREEMENT (hereinafter called '**this Agreement**') is made on this day of between the President of India acting through Sh Rajesh Aggarwal IAS, Director General/ Addl. Secretary, Ministry of Skill Development and Entrepreneurship, Government of India, New Delhi (hereinafter called '**the First Party**');

The Governor/ Administrator of the State/UT of Punjab acting through Sh. D.K. Tiwari, IAS Principal Secretary, Department of Technical Education & Industrial Training Government of Punjab, Chandigarh. (hereinafter called '**the Second Party**')

AND

Sh. Mukhinder Singh, the Chairperson of the Institute Management Committee for the ITI with the name of IMC of Govt. ITI Phagwara located at Satnampura, Phagwara-144402, Punjab (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 (hereinafter called '**PBGA**') that envisions to provide grant to selected ITIs based on their performance on mutually agreed indicators, in accordance with the operations manual for the STRIVE Project (hereinafter called '**the Operations Manual**') adopted by the First Party and as amended from time to time;

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, environmental and social systems, and labor standards, consistent with the minimum requirements set forth in the Operations Manual and the environmental and social practices applicable to the STRIVE Project;

AND WHEREAS the Parties enter into this Agreement to specify the targets with respect to the performance of the Industrial Training Institute Satnampura, Phagwara-144402, Punjab (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 ¹

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 7 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 PBGA 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 3 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 with the First Party. This is necessary to ensure that funds are released to the Third Party in accordance with the terms and conditions provided in the Operations Manual.
- d. The Parties shall be guided by the Operations Manual in the execution of their responsibilities under this Agreement.

3. Institute Strategic Plan

The Third Party shall implement ISP as per the guidelines laid down in the Operations Manual

4. Key Performance Indicators

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

¹ The closing date (end of disbursement period) should not exceed the STRIVE Closing Date.

1. Percentage increase in number of graduates at the respective ITI
2. Increase in female enrolment rate across trades being conducted at the respective ITI
3. Percentage increase in total enrolments at the respective ITI
4. Increase in percentage of total trainees at the respective ITI who have undergone OJT as per the prescribed curriculum

The targets for each KPI and the amount corresponding to each target are specified in the Operations Manual.

5. Eligible Expenditures

The Third Party shall utilize the funds received under the PBGA for expenditures recognized as eligible in the Operations Manual. Utilization of funds for any other expenditure shall not be considered valid under this Agreement.

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 PBGA. Such account shall be called the ITI Project Account.
- b. All funds released under the PBGA by the First Party shall be transferred to the ITI Project Account of the Third Party, through Second Party.
- c. The Third Party shall make all expenditures in relation to and for the purpose of the PBGA from the ITI Project Account.

7. Release of Funds

- a. The First Party shall release to the Third Party, through Second Party, grants amounting to 40% of the allocation approved by the NSC upon execution of this Agreement and as specified in the Operations Manual.
- b. For further installments 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 Operations Manual.
- d. The Third Party that is not meeting agreed milestone at a specified point in time, will not receive the corresponding funding related to the target milestone, irrespective of actual expenditure already effected.
- e. Additionally, if the Third Party achieves the milestone in succeeding year(s) during the course of the STRIVE, the fund(s) corresponding to that milestone shall be released in that year.
- f. 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 Operations Manual;
 - 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.
- g. 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 Operations Manual 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 PBGA.

9. Procurement and Financial Management

The Third Party shall carry out all procurement activities and maintain records and accounts adequate to reflect the operations, resources and expenditures incurred in the implementation of the ISP in accordance with procurement and accounting practices as set forth in the Operations Manual,; 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 PBGA;
- b. Prepare and furnish to the First Party, Second Party, The World Bank and/or its representatives, all such information that the First Party, Second Party and/or The World Bank, shall reasonably request in relation to its activities under the PBGA; 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 PBGA.

11. Anti-Corruption

The Third Party shall undertake all activities under the PBGA 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.

date of uploading of this Portal = 16/4/2020

b. The Third Party acknowledges and consents to the First Party's right of restitution of any amounts released under this PBGA 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 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

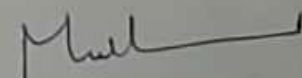
Signed at 5 day of F.E.B. 2019


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

For and on behalf of
IMC as Chairperson

For and on behalf of
The President of India


(Sh. D.K. Tiwari)
Principal Secretary
Department of Technical
Education & Industrial Training
Government of Punjab



(Shri Mukhinder Singh)
Chairman, IMC
Govt. ITI, Phagwara
CHAIRMAN
I.M.C. GOVT. I.T.I
PHAGWARA

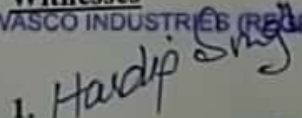

(Sh. Rajesh Aggarwal, IAS)
Director General, DGT,
Ministry of Skill
Development and
Entrepreneurship,
Government of India


Witnesses

Witnesses

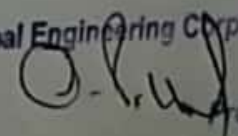

Witnesses

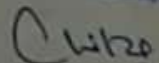
1. 
Additional Director (I.T.)
Director Tech. Edu. & Indl. Trg.
Punjab

For WASCO INDUSTRIES (PUNJ.)
1. 
Prop.

1. 
पार्वीन कुमार, सॉल्व कैब/PARVEEN KUMAR, SDE
उप निदेशक प्रशिक्षण/Deputy Director of Training
सरकार, भारत/Govt. of India
कौशल विकास एवं उद्यमशीलता विभाग (डी.टी.ई.)
Ministry of Skill Development and Entrepreneurship (DGT)
अहमद नगर, नई दिल्ली/Kaushal Bhawan, New Delhi

2. 
Deputy Director (Industrial Trg.)
Deptt. Industrial Trg., Punjab
Chandigarh

For Opal Engineering Corporation
2. 
Proprietor

Principal cum DDO
Industrial Training Centre
Phagwara

2. 
[CHITRA]
Training Officer
Page 6 of 7