

J-17060/52/2019DDU-GKY
Government of India
Ministry of Rural Development
Department of Rural Development
(Rural Skills Division)

NDCC II Building, 7th Floor
Jai Singh Road, New Delhi- 110001
Dated: 17th May 2019

OFFICE MEMORANDUM

Sub: Committee to examine the feasibility of adoption of batch mode payment and sanction of projects of one year duration under DDU GKY

The competent authority of this Ministry has decided to form a Committee to examine the feasibility of adoption of batch mode payment and sanction of projects of one year duration under DDU GKY with following composition.

a)	Director (Skills), Ministry of Rural Development	Chairman
b)	CEO, EGMM, Government of Telangana	Member
c)	Executive Director, Kudumbashree, Government of Kerala	Member
d)	CEO, ORMAS, Government of Odisha	Member
e)	CEO, SEEDAP, Government of Andhra Pradesh	Member
f)	Director (Monitoring and Evaluation), NIRDPR	Member
g)	Deputy Head, PMA (Dealing with the Subject)	Member

The terms of reference and other details about the committee may be seen in the Appendix.


Dr. Sandeep Sharma
Joint Director

Copy to

- i. Director (Skills), Ministry of Rural Development
- ii. PPS to Joint Secretary (Skills)
- iii. CEO, EGMM, Government of Telangana
- iv. Executive Director, Kudumbashree, Government of Kerala
- v. CEO, ORMAS, Government of Odisha
- vi. CEO, SEEDAP, Government of Andhra Pradesh
- vii. Director (Monitoring and Evaluation), NIRDPR
- viii. Deputy Head, PMA (Dealing with the Subject)

APPENDIX

Formation of a committee to examine the feasibility of adoption of batch mode payment and sanction of projects of one year duration under DDU GKY

1. Introduction:

1.1 The Ministry of Rural Development (MoRD), through its holistic endeavor of skilling, placement, and career progression under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), is committed to ensure sustainable livelihood options for rural poor youth through wage employment. DDU-GKY is implemented through public-private partnership (PPP) model.

1.2 As on date DDU GKY is being implemented in 28 Action Plan (AP) States with 536 Project Implementing Agencies (PIAs). Currently 1193 projects are under implementation and more than one lakh candidates are undergoing training. Apart from that various Ministries and organizations (both public and private) are also being involved in this programme at various capacities.

2. Payment norms under DDU GKY

2.1. Under DDU GKY, PIAs receive funds from the SRLMs/ SSDMs for projects sanctioned by PAC. Currently the release of fund is bifurcated in 4 installments (25%, 50%, 15% and 10%) during the project period. Details can be seen in the table below:

Sr. No.	Instalment	% of Instalment	Milestone
1	1 st	25% of project cost	On signing of MoU after receiving Training center lease + BG of 6.25% of Total Project Cost
2	2 nd	50% of project cost	<ul style="list-style-type: none">• Spending 60% of funds disbursed as 1st instalment• Achieving 40% of physical target inclusive of sub-targets such as for SC/ST, minorities etc i.e. completion of 10% training and 7% verified placement (Continuous employment of 3 months- desk and physically verified as per DDUGKY Norms)
3.	3 rd	15% of project cost	<ul style="list-style-type: none">• Spending 90% of funds disbursed as 1st and 2nd instalments• Achieving 90% of physical target inclusive of sub-targets such as for SC/ST, minorities etc i.e. on completion of 90% training and 63% verified placement (Continuous employment of 3 months- desk and physically verified as per DDUGKY Norms)

4	4 th	10% of project cost	On achieving all targets (Achieving 100% of physical target inclusive of sub-targets such as for SC/ST, minorities etc, certification of 70% of the candidates) and submission of project closure documents as well as signed score card.
---	-----------------	---------------------	---

2.2. The pattern of 4 installment release under DDU GKY has been discussed in various platform. It has also been found that PIAs are taking time for achieving the specified target for claiming instalments. As a result most of the DDU GKY projects cannot be completed within timeline. The proposal to revise the installment % and no. of instalments is under consideration.

2.3. Para 1.3.6. of DDU GKY Guidelines-2016 has also mention about approach from projects to batches. It is mentioned that *"Going forward, once the internet enabled workflow driven Enterprise Resource Planning (ERP) platform for skills (of MoRD) is in place the plan is to shift from the current system of sanctioning individual projects will give way to empaneling of PIAs by States who are financed on a continuing basis."*

2.4. The state of Andhra Pradesh is following a pattern of batch mode payment for fund releases under DDU GKY. State of Telangana has linked the payments with training centre utilization and phase wise completion of training linked with fund released.

3. Duration of projects under DDU GKY

3.1. Empowered Committee of NRLM during it's meeting held on 31st March 2016 approved minimum terms of 3 years for DDU GKY/ ROSHNI projects. Currently most of the projects sanctioned under DDU GKY by States are of 3 years duration.

3.2. During implementation of DDU GKY in 2016-19, it has been found that most of the sanctioned DDU GKY projects are taking a long time for claiming for 2nd and 3rd Instalments and completing targets as per the PPWS. As a result, most of the DDU GKY projects cannot be completed within specified timeline.

3.3. State of Odisha has adopted a model of sanction of yearly target (within the 3 years approved target) to the PIAs based on grading of PIAs.

4. Rationale for formation of the committee

Empowered Committee of MoRD has approved 2019-22 Action Plan of all the States with a national target of 19.61 lakh. To complete the target within specified time period and to achieve the ultimate objective of DDU GKY and for smooth and successful implementation of DDU GKY in coming years, it is proposed to form a committee to examine the feasibility of adoption of batch mode payment and sanction of projects of one year duration under DDU GKY.

5. Proposed structure of the Committee:

- | | | |
|------|--|----------|
| i. | Director (Skills), Ministry of Rural Development | Chairman |
| ii. | CEO, EGMM, Government of Telangana | Member |
| iii. | Executive Director, Kudumbashree, Government of Kerala | Member |
| iv. | CEO, ORMAS, Government of Odisha | Member |

- v. CEO, SEEDAP, Government of Andhra Pradesh Member
- vi. Director (Monitoring and Evaluation), NIRDPR Member
- vii. Deputy Head, PMA (Dealing with the Subject) Member

The Committee may be designated the power to co-opt any expert as special invitee as may deemed necessary.

6. Proposed Terms of Reference (ToR) of the Committee

- i. To examine current system of fund release and project duration under DDU GKY.
- ii. To examine various methodologies adopted by State governments in project sanction and payment methodology under DDU GKY
- iii. To examine various methodologies adopted by other Ministries/ Departments in project sanction and payment methodology under skill development
- iv. To examine and recommend the feasibility of adopting batch mode payment system under DDU GKY
- v. To examine and recommend the feasibility of sanction of projects of one year duration.
- vi. Any other mode or recommendation may also be given by the Committee.
- vii. To submit the final report by 15th June, 2019.