Transformative Governance in Skilling for Wage Employment at Rural Skills Division, Ministry of Rural Development

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1. Introduction

1.1 Brief on DDU-GKY

Deen Dayal Upadhyay–Grameen Kaushal Yojana (DDU–GKY) is the placement-linked skill training initiative of the Ministry of Rural Development (MORD), Government of India.

The main features of this programme are:

- Exclusive focus on rural poor youth
- Social inclusion agenda
- Pioneering innovations like:
  - Support to candidates for job retention (direct benefit transfer to bank accounts)
  - Incentive to training partners for career progression and international placements
  - Tablet-PC as a training tool
  - Training in functional English, basic IT skills and soft skills added to employable skills
  - Framework of guidelines and detailed standard operating procedures (SOPs) to define quality with transparency and accountability
- Market-linked training in public–private partnership (PPP) mode:
  - Curriculum framing and assessment through National Council on Vocational Training (NCVT) or Qualification Packs–National Occupational Standards (QP–NOS) as identified by Sector Skill Councils (SSCs) of National Skill Development Council (NSDC)\(^1\)
  - Multi-modal industry partnerships
- Training in over 450 job roles and skills

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\(^1\) NOSs – National Occupational Standards (NOSs) specify the standard of performance, knowledge and understanding when carrying out a particular activity in the workplace. Each NOS defines one key function in a job role. Example: For a Sales Associate, one of the NOS would be to ‘To help customers choose right products’

QP’s – A set of NOSs, aligned to a job role, called Qualification Packs (QP’s), would be available for every job role in each industry sector. These drive both the creation of curriculum, and assessments.
• **Placement for 75% of all candidates** at a minimum monthly salary of Rs. 6,000/- (CTC)

• **12 month tracking performance post placement**

Till date, DDU–GKY has been implemented in 22 **states and UTs, across 576 districts**, by over 280 project implementing agencies (PIAs). At present, DDU–GKY has over 1.55 lakh candidates currently in training and placements. In the next couple of years, DDU–GKY has committed to an investment of more than Rs. 4,038 crore in more than 600 projects, to impact 11.94 lakh rural youth.

DDU–GKY follows a **three-tier implementation architecture** with the National Unit (NU) as the policy-maker, technical support and investor tier. The second tier is the DDU–GKY State Skill Missions (SSMs) or State Rural Livelihood Missions (SRLM) who co-invest as well as monitor implementation agencies. The last tier comprises the **project implementation agencies (PIAs)**, which are the real doers on the ground. This scheme uses technology to strengthen monitoring processes and building scale. Some examples of technology being used are as follows:

• A geo-tagged time stamped **biometric attendance record**

• Provision of a **tablet PC** for all recruits, as a teaching-learning tool

• Process flow driven **internet enabled ERP** system

• **Computer labs and e-learning labs with dedicated internet access** at training centres

• Use of **CCTV captures in remote monitoring** and evaluation of classroom activity

• **Blended learning content**, comprising of videos, interactive sessions and classroom sessions.

This scheme has helped a lot of rural youth by partnering with various organizations. A few of the success stories are as follows:

• A Champion Employer Policy wherein organizations promise to train and place 10,000 rural poor youth in two years. Café Coffee Day is a Champion Employer of DDU–GKY and promises to recruit 100,000 rural poor youth in 5 years.

• A Captive Employer Policy in which an organization provides 500 or more captive jobs annually in own or subsidiary companies.

• An Industrial Internship programme for skilled manpower driven industries that enables them to scale up.
- DDU–GKY also gives preference to training agencies, which have proven experience in providing overseas placement in jobs starting at a minimum of US$ 500 per month.

1.2 Introduction to the Case

Over the last 3 years, the MORD re-engineered government processes for efficiency, increased transparency and quality across multiple levels. A few examples of such re-engineering are as follows:

1. Development and stringent application of norms through the framework of guidelines and SOPs
2. Modification and project-wise implementation of public financial management system (PFMS)
3. Capacity building and empowerment of richer states without compromising service delivery in poorer states
4. Unique funding model to promote quality skill training through private sector

In this case, we try to capture the motivations of change, thought leadership and implementations effected by the MORD in the space of skill training. However, it must be remembered that any such exercise, is evolutionary and continuous. The impact as on date is captured even when some or many of the implementations are being rolled out on the ground and are likely to post results only in the coming years. In this document, the following aspects of the scheme have been discussed:

- **Context:** A historical perspective on skill training, and a summary of the problems discovered over time are presented. Some problems emerged when solutions to a different problem were being implemented. Context section summarizes all the major problems encountered in the course of the re-engineering project.

- **Problems on the ground:** During the course of implementation of the scheme, the MORD, in its routine processes like inspections and audits, mined problems. In this section, the attempt has been to present the problems as they were discovered.

- **Administrative reforms:** Essentially, in this section, the attempt is to capture the thought-process and executive actions employed to present innovative solutions.

- **Implementation strategy:** This section outlines that methodology adopted to implement the solutions across the skilling eco-system, including state governments.

- **Impact:** Impact of the process re-engineering effort of the MORD as on date is presented in this section.
2. Historical Perspectives and Summary of Problems

In 2004/05, MORD launched a centrally sponsored scheme of skill training as a means to **diversify the incomes** of rural poor families and create a platform for **upward mobility** out of poverty. Working in PPP mode, several NGOs and other organizations proposed projects with outcomes in either creating self-employment avenues or wage employment. In the absence of prescribed standards, clear goals and expectations or defined outcomes, small successes could not be capitalized upon.

The scheme was implemented in a two-tier architecture with MORD at the centre offering policy development, technical support through their Central Technical Support Agencies (CTSAs) and the central share of funds. The involvement of the states did not extend beyond the contribution of their respective share of funds. On-the-ground implementation of the programme lay with PIAs. However, the nascent skill training industry had more than its fair share of problems, some typical to the country and others, unique to the task of skilling.

Some of the bigger challenges facing the industry and the programme, progressively discovered, were:

- **Poor aspiration for skill training among rural poor youth.** Even when inaccessible, rural youth preferred basic degree or diploma training over skills training.

- **Disproportionate mid-term redistribution of funds and targets to states.** Typically, the richer states performed better than the poorer states resulting in higher offtake of resources and targets. This would also affect the poor and disadvantaged youth in poorer states adversely.

- **Government’s traditional problems in procurement** also had a role to play. Oriented to ‘least cost’, it often overlooked innovations and better systems that would ask for more time and cost.

- **Quality and quantity of placements.** The design of the programme focused on empowerment through skill training. Therefore, most of the organizations employed in skilling had no linkage with industry, job-roles and demand for trained manpower. As a result, placements were more a result of personal relationships than demand and supply.

- **Retention in jobs.** Upward mobility out of poverty requires that beneficiaries once placed in jobs continued working and growing into higher income. But the incidence of drop-outs was high, right from classrooms to jobs. This also had a deep impact on the overall perceptions about skill training (point 1 above).
Several external forces also impacted the performance of the programme. Some of them are:

- Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) ensured that youth had access to paid work in their native places without any time or monetary investment in skilling.

- Increased media penetration ensured that a portrayal of urbanized lifestyle reached deeper into the country resulting in diverse lifestyle aspirations which created unrealistic demands from work life.

- In 2009, with the coming of the National Policy for Skill Development, Sector Skills Councils (SSCs) were developed with industry partnerships, to identify job-roles for unskilled, semi-skilled and skilled workers across several sectors.

- Also, the Controller General of Accounts (CGA), Ministry of Finance, and Government of India launched a financial management platform for all centrally sponsored schemes, now known as PFMS. And the development of direct benefit transfer mechanisms for several socially oriented schemes added dimensions to effectiveness, transparency and accountability in the use of government funds.

In 2011, MORD was tasked with creating a special skilling and placement sub-programme for the poor youth of Jammu & Kashmir. This is when MORD, learning from its set of experiences, implemented some guiding principles and innovations. The success of this sub-programme, called ‘Himayat’ spawned the re-thinking and re-engineering of DDU–GKY on the whole.

In a span of 24 months, MORD identified clear-cut Programme Guidelines (launched in September 2013) and initiated the process of developing detailed SOPs to standardize processes and bring quality into skill training.

3. Problems on the Ground: Discovering Problems through Normal Processes

Typical to government procurement processes, even skill training projects were implemented on a least cost (L1) model not linked to any outcomes. Additionally, learning from the failures of the education system, the approach was to make skill training accessible to rural poor. As a result, PIAs had to set-up training centres and programs in and around villages which limited their ability to identify sufficient or adequate physical infrastructure.

Inspections of MORD identified poor physical infrastructure as one of the primary causes for poorer perceptions of skill training. Not only were the
buildings inadequate to house tools and build scale, the power supply was also erratic, resulting in high attrition. PIAs would often start and shut training centres, in their effort to manage costs within the fixed lowest cost. As a result, skill training per se got labelled as a short-term option or quick-fix.

In contrast, even in smaller cities like Annamalai (Tamil Nadu, Fig 1) or Roorkee (Uttarakhand Fig 2), universities and degree colleges were large, impressive structures and their stature commanded adulation and respect.

Physical infrastructure also had a role to play in fashioning expectations and aspirations around skill training.

For instance let us look at the picture of a dormitory. Life within the training programme was not any different from village life outside of it. As a result, perceptions and expectations from it did not promise a better life after the intervention. The residential facilities did not build adequate difference in living experience between a typical rural home and a training centre dormitory.

Another instance is that of computer labs with poor hardware. For instance, in the pictures below you can see 3 monitors connected to one PC. Furthermore, it was observed that block and district administration were not involved or engaged. This often resulted in poor mobilization
of beneficiaries into training centres, both in terms of quantity and quality, creating avoidable delays and poorer outcomes in terms of numbers trained and placed.

Additionally, money utilized was tracked manually, demanding audited financials from the PIAs. This provided opportunity for leakages and misuse of public funds; detection of fraud or misuse of funds was delayed. The process would await the closure of the financial year and relevant documentation.

Most of the skilling programs would follow non-standard curricula not necessarily linked to job requirements or skill demand of the region. While, Modular Employable Skills (MES) curricular framework did exist, not many NGOs engaged in skill training were either aware of or were using them. Competing intensely for government funds, most of the better organizations treated their teaching-learning content as Intellectual Property (IP). As a result, MORD was unable to identify and equally share ‘best practices’. Rural poor youth are already disadvantaged due to lack of access to schooling. Along with it, a skilling intervention that trained them inadequately and placed them in jobs was a higher risk. Another resulting barrier was of compliance and certification. As the curriculum was discretionary and typical to a job role in a particular organization (in case of placement linkage) or as the training organization deemed sufficient for self-employment, there was no organized process for third-party assessment and certification. Multiple certificates abounded and differentiation was poor. Also, the beneficiaries were ill-prepared for an urbanized environment, work culture with daily, monthly and annual targets, and hire & fire policy.

Employers were not sensitive to the challenges of displacement or motivating retention which resulted in high attrition and growing discontent.
Most of the ground-level problems arising out of discretionary processes and practices were as follows:

- **Herding of beneficiaries into classrooms without adequate measurement of inherent ability**, attitude or family situation resulted in putting together certificate seekers and above-poverty-line (APL) candidates who had different priorities. This was mostly because PIAs needed numbers to justify their revenues and the state machinery was ill-equipped to identify the poorest of the poor or needy beneficiaries and families.

- **Short-sighted approach to skill training and placement resulted in starting and closing of limited training programs with no orientation on sustainability.** For instance, a PIA tied up with a media publication for training of 100 newspaper delivery boys. This was a two-week training programme which was not aligned to any MES or other source for curriculum or content and was not a sustainable job-role. In the absence of a what-next, not only did the beneficiaries drop-out, the employer also used the force to achieve a particular business goal and then reduced overheads by cutting down staff. **Such programs did more harm for perceptions around skilling and skilled workers.** In addition, APL beneficiaries would either have access to better income or lifestyles and as a result would quit on their own.

- **Poor placements.** Catering to short-term manpower demands ensured that there was **no clear career path and therefore no clear charted growth in income or role.** As a result, even among those who sincerely remained in jobs, there was less or poor incentive to continue working.

- **Poor retention in jobs after 6-12 months of being placed.** Catering to short-term manpower demands also **allowed PIAs to work with lesser number and quality of trainers.** This would enable PIAs to start fast and close faster thereby maximizing revenue and managing costs. Again, this harmed skillling and weakened the entire eco-system. Seasoned trainers would cost higher and demand longer-term employment and hence the PIA would retain the services of less qualified trainers to push numbers into and out of classrooms. As a result, **the eco-system did not evolve, better teaching-learning and testing practices did not seep in (like it was doing in formal education) and relationships between organizations and beneficiaries did not develop.**

- Last but not the least, in most cases, courses with the **least input cost resulted in skewed workforce development** where even self-employment facilitation could not create adequate income. For instance, training beneficiaries in sales was cheapest as it did not require costly equipment for training and specialized trainers and assessors. Hence, projects for sales persons abounded. Supply economics with poor wage specifications
resulted in poorer placements and salaries in jobs. And self-employment was not possible. Lateral movement was further limited as the courses were most often tailor-made for a pre-determined organization.

- The deeper and far-reaching impacts of these interventions were beyond the immediate task of skilling and retention. **Skill training as a business became unattractive for larger educational institutions or globally leading businesses with better talent and processes. Trainers as a community saw no potential for sustained income or career in skilling. And state administrations did not perceive skilling as a long-term intervention to create super structures or pool resources.**

### 4. Administrative Interventions for Reform

Introducing **reform in skill training as an intervention required systemic changes and planned evolution over time**, finding solutions for problems that would emerge as each process was being strengthened. The first step in reforms was **clear identification of goals and outcomes**. Processes can only be defined when outcomes are clearly mapped. In keeping with goals of MORD (diversity in incomes and upward mobility), the primary outcome of the programme was deemed to be **wage employment** with some breathing space to cater to differing or evolving career aspirations among rural poor youth. The goal therefore became: guaranteed wage-employment for a minimum of 75% of the beneficiaries in each skill training project. Promising 75% wage employment as the outcome is a bold step which clearly differentiated MORD’s skill training programme from all other government sponsored training interventions. To add, MORD clearly defined wage, placements and retention. Wage has been defined as a minimum monthly salary of Rs. 6,000/- (Cost to Company). Placement has been defined as paid work for 3 continuous months in a job. Retention has been defined as working for a period of 12 months. To facilitate placement and retention, MORD then identified a support directly to the beneficiary in the form of Post-Placement Support, in addition to subsidizing the cost of training by 100%.

Additionally, to impact upward mobility, due emphasis was laid on placement linkage, post-placement tracking, job retention and career progression. It was deemed that **project funding would be directly linked to achievement of physical targets**. This would enable MORD to take remedial actions like reallocation of targets and funds as well as cancellation of non-performing project assets. Further, to motivate performers, **incentives were identified and structured for physical achievement in retention and career progression**. Career progression is identified as a 150% jump in the monthly salary of a candidate within the course of the first 12 months in a job. PIAs were to be rewarded for prompting retention through counselling of candidates and their families, negotiations with employers pre- and post-placements,
and tracking progress of placed candidates. PIAs were also to be rewarded when their placed candidates achieved career progression or international placements, because each was evidence of a better output and better run training programme.

As a result, the **funding policy was changed from a least cost model to a success-linked incentive led cost model** wherein performing PIAs could demand and receive more than twice the base fixed fee.

The new funding norms were published and released in the **Programme Guidelines** in September 2013. The extract of the Guidelines for Cost Norms is presented in Annexure 1.

**The next step was to map a high-level government service delivery process** (Figure 1) to start the making of detailed SOPs. The primary need was to evolve and impose a common minimum set of standards for skill training across the eco-system through the framework of guidelines and detailed SOPs. This is also a ‘good governance’ measure to introduce transparency and accountability in programme management, eliminating possible ‘inspector raj’.

A process of registration of PIAs at the level of the centre was introduced to ensure that better organizations applied for and received support from the government as PIAs across the centre and the states. The result was a **rigorous, objective and transparent process for a Permanent Registration Number (PRN)** and on-boarding of potential PIAs. The criteria included verification of registration of the organization with the Registrar of Companies or Societies as applicable, the leadership team and a visual reference of existing business delivery or management facilities.

The next step was to **facilitate market or demand linkage to project proposals**. The guidelines clearly identified the role and responsibility for the PIA in making project proposals. In Figure 2, the four pillars of success were identified for PIAs.
Figure 1: Government Service Delivery Process
Sector Skills Councils and NSDC commissioned a detailed nation-wide study on skills gap across several workforce rich sectors. PIAs were required to use the Skills Gap Study to perform Skills Gap Analysis as part of their project proposal. Further, they were required to identify potential employers and/or recruiters for trained candidates and include a demand letter as part of the project proposal.

In addition to encouraging PIAs to undertake such studies and engagements, the Programme Guidelines also identified clear and defined multi-modal direct engagement with employers as a means to facilitate demand linkage. The guidelines have outlined 3 clear policies:

### 4.1 Champion Employer Policy
A numbers driven approach where potential employers are required to train and place 10,000 rural youth in two years. This policy provides for costs and incentives as applicable for any PIA, but accords special status to proposers by way of prioritization and improved response time. Here, it is understood that the organization can absorb as well as place candidates in its own or subsidiary business as well as in the wider industry.

### 4.2 Captive Employer Policy
A demand driven approach where potential employers are required to train and absorb 500 or more rural youth annually. Here, it is understood that the
organization or its subsidiaries, including co-owned subsidiaries are to absorb a minimum of 75% of the candidates trained. This policy again provides for costs and incentives as applicable for any PIA, but accords special status to proposers by way of prioritization and improved response time.

### 4.3 Industrial Internship Policy

A demand driven approach, this is significantly different in its content. The costs and incentives structure is changed and follows the approach of subsidizing the cost of talent acquisition. And the training period is fixed at 12 months with a guarantee of employment and progression upon the successful completion of training. There are additional considerations in this policy which will be pointed out later in this document. An extract of the Programme Guidelines mentioning the possible employer engagements and weightages to be accorded is presented in Annexure 2.

The next step was to identify a prioritization for project proposals in appraisal clearly indicating preferences linked with MORD’s desired outcomes and expectations. A 4-stage appraisal process was evolved (Figure 3).

![Figure 3](image)

(Note: Project Implementation Agency (PIA); Project Management Unit (PMU); State Rural Livelihood Mission (SRLM); Central Technical Support Agency (CTSA))
The appraisal process included scoring of potential projects on the merits of:

- Strengths of the organization (brand, past experience, management capacity and financial resources)
- Merits of the proposed project (skills gap, linkages with state and regional demands, course content, delivery mechanism and pedagogy).

The next step was to identify and standardize course and curriculum content. MORD mandated the adoption of standards and set-up national bodies to align with and recommend job-roles as well as course content, trainer qualifications (where available), teaching–learning methodology and assessment methodology. Further, it has been prescribed that PIAs engage with academic specialists and ensure training and certification within the framework established by the National Skills Qualification Framework (NSQF). This is essential to gain global recognition as well as portability.

It was prescribed that all PIAs would follow either NCVT curricula for MES or QP-NOS as developed by SSCs of NSDC. It was further prescribed that all assessments would be third-party through accredited assessors of the respective bodies as above.

Also, the durations of skill training programs were identified. The minimum intervention was proposed for three-months duration with 576 hours of training, and 15 days of on-the-job training (OJT) and the maximum intervention was proposed for 12 months duration with 2,304 hours of training and the completion of school year in association with National Open School where needed. The 12 months programme would also include 3 months of OJT. The duration of projects is detailed in the Programme Guidelines and is presented here as Annexure 3.

In several employer engagements over time, it was discovered that soft skills formed a large part of employer expectations. Hence, training hours in Soft Skills or Life Skills, basic IT skills (handling and working with a computer, accessing the internet etc.) and functional English were included in every project and training calendar to ensure that rural poor youth were able to access a broader labour market upon successful completion of training. These are also instrumental in delivering sustainability to the skilling intervention. Another component identified was ‘work readiness training’ aimed at preparing candidates for work-life in a city or industrial centre is the primary objective of the ‘work readiness training’.

The next step was to define physical infrastructure. It was found in repeated interactions with successful candidates and partner organizations that the training centre was central to perceptions of skill training as a route to income.
and employment, seriousness of the activity as well as value and esteem for skilling and skilled workers. In consultation with diverse specialists and domain experts as well as research teams as present in the CTSAs, a detailed blueprint was evolved for the size and scale of a training centre, its academic and non-academic areas, and design for a physical strength among others factors.

Several innovations were made here. The most important was the inclusion of Domain Labs. A domain lab is a representative sample of the final work environment complete with necessary tooling for the learning of skills, as would be available in the actual work environment when the beneficiary is placed in the job, and as shown in the image. For instance, the domain lab for a machinist or operator’s job role would include a lathe machine wherein beneficiaries would be taught how to use and work with it.

A sample of the detailed SOPs for ‘training infrastructure’ is presented in Annexure 4. The SOP also identified a concurrent monitoring approach of MORD and its action-arm, the CTSAs and respective state governments through MORD or dedicated Skills Missions or their appointed technical support agencies (TSAs), with a view to build transparency in governance and administration. The number of visits, composition of the visiting team and checklist etc. have been included in the applicable Standard Forms (SFs) of the SOP.
With the identification of minimum benchmarks for physical infrastructure, MORD encountered a new problem, the need to attract and motivate better talent and organizations of repute or seed organizations to adopt quality skill training as a business. Here, the traditional government approach of procuring services and paying post completion of the projects was a barrier. The physical infrastructure required capital investment on behalf of the PIAs which would then be amortized over longer periods implementing larger projects. MORD needed to structure its payments to facilitate capital investments as well as ensure quality outcomes. The funding norms needed to be changed so that sanctioned PIAs had access to funds immediately to invest in training centres. Payments were broken down into four successive instalments subject to utilization of funds and achievement of physical targets. The revised funding norms were:

- **Front-loading payment through advance (25% of the total project cost) immediately upon sanction** of the project. Against this, the PIAs were required to establish necessary infrastructure and complete 10% of the proposed physical targets of the project in terms of training and placement. If they succeeded in the above and utilized 60% of the funds, they were then eligible for the second instalment.

- **The second instalment, comprising of 50% of the project cost was paid when projects and PIAs demanded, subject to completion** of the targets as specified in Point 1. Upon disbursal of the second instalment, the PIA would have access to 75% of the total project cost. However, now the physical achievement goals were set at 90% of total project in terms of training and placement. Utilization also had to keep pace, at 90% of all funds till then, to prove eligibility for the third instalment.

- **The third instalment, comprising of 15% of the project cost, would then be disbursed on demand and subject to verification of claims** as identified in Point 2 above. At the instance, the PIA would have already received 90% of the project cost. The goals were to achieve 100% of the proposed project in terms of training and placement targets. Achievement would make them eligible for the fourth and final instalment.

- **The fourth and final instalment was disbursed upon the completion and closure of the project.**

This structure automatically ensured availability of funds at all times with PIAs to ensure sustainability of the projects and the activity of skill training. However, this structure of funding projects exposed MORD to higher financial risks. In order to mitigate risks, MORD needed to modify PFMS for delivering a project view and MIS. PFMS was then to be adopted across all projects, through the CTSAs. PFMS, with its unique linkage to Core Banking Solutions (CBS) of banks would allow MORD and its designated authorized
personnel to access and identify how every rupee is being spent in real time. This ensured that MORD could implement the proposed funding structure with lower risk of non-performance or creation of non-performing assets. It would also allow MORD to detect fraud in time and take remedial action in a timely manner.

**PFMS and approach to funding allowed MORD to introduce quality skilling.** While PFMS manages the risk on behalf of the centre, states needed to manage their risk while committing their share of funds in a timely manner to ensure smooth implementation of the skilling projects. This required that MORD put in place a system of concurrent monitoring with a clear role for state teams to ensure that they are involved and appraised of progress and plan their funds and contributions in a timely manner. As a result, a concurrent system of monitoring and evaluation was developed and identified in the Programme Guidelines with roles for State Rural Livelihood Missions (SRLMs) / SSMs by way of visits, audits and engagement through the skilling lifecycle, from mobilization to tracking placed candidates for success in job retention. The guidelines for concurrent monitoring are presented in Annexure 5.

Concurrent monitoring and an active role in implementation for state teams required capacity building and creating institutional framework across the country. This is where MORD needed to devise a cooperative design in a federal structure. The structure identified and facilitated the capacity of the state in building institutional support without compromising access to the poor and needy in states that have developmental delays. This implementation design framework ensures that the poor in India do not become a victim of state governments’ lack of capacity while respecting the principles of cooperative federalism. Some states acquired capacity to implement and manage their own programs. Such states were labelled as **Action Plan States (APS)** and empowered with the right to choose their projects, PIAs and implementation cycles. They were also empowered to appoint their own TSAs in addition to engaging the services of the CTSAs where needed. In others, the centre still invests in resources to plan and implement the programme, referred to as **Year Plan States (YPS)**.

In order to grow capacity uniformly and where needed, MORD has also provided for budgets or funds for capacity building, recruitment of TSAs, implementing communication and advocacy programs and monitoring and evaluation to states, in both YPS and APS implementations. In APS, MORD provides the states with a fund and a physical target and disburses funds in two instalments of 50% each.
Currently, MORD is working towards migration of a larger number of states to the APS model and is facilitating the same through the preparation and use of an APS Transition Toolkit.

Concurrent monitoring of financial transactions was possible in real-time through desk access of PFMS project accounts. Physical verifications, however, were limited to visits which could only be performed on pre-designated occasions. It was physically not possible for the authorized representatives of MORD to be present in all training centres at all times.

As a result, MORD followed an empowerment model. In addition to the Operations Teams (Op-teams) in its PIAs who would implement the training programme on a daily basis, MORD seeded the formation of Quality Assurance Teams (Q-teams) in the PIAs who would impose and monitor quality standards. Technology was extensively used to facilitate the role of the Q-teams and CTSAs/ SRLMs/ SSMs. The idea behind usage of technology was to facilitate replication of visits or simulate physical presence of monitoring agencies in the training centres, in a literally ‘fly-on-the-wall’ approach. Some of the implementations are:

- **Geo-tagged Bio-metric Attendance record.** It is mandated that training centres record attendance of all members (beneficiaries, trainers and administrative personnel) using STQC compliant and UIDAI compliant devices. The data is then locally stored as well as made available as MIS on the website of the PIA. Visiting teams can retrieve and evaluate attendance data for any day in the previous 30 days.

- **Use of CCTV recording of training days at the training centre as a monitoring tool.** Each of the academic areas is recorded using CCTV cameras with audio recording facility and this information is locally stored for access for a period of 6 months post completion of training of the batch. The recording is also analysed for assessing quality of training delivered, trainer ability and functioning of domain labs etc.

Finally, in a unique first, MORD has branded the programme, with the name DDU–GKY and the trained worker as the output or product. **Branding is a strategy to fashion and cater to aspirations of consumers.** Herein, rural poor youth between
the ages of 15 and 35 years are the primary set of consumers, and employers from industry form the second set of consumers. Employers are consumers of the brand through consumption of the product offering, the skilled workforce.

Career aspirations are fashioned and managed through brand-led engagement and pride of association. This has been architected through the SOPs by way of co-branding of training centres and physical branding elements for beneficiaries like uniform, course material etc.

Branding abounds in the training centres thereby creating clear differentiators and perceptions of quality skill training. The concept of co-branding has been extended to training centres established under the multi-modal employer engagements as well.

5. Implementation Strategy

5.1 Rollout/Implementation Model

Implementation of all the process reengineering initiatives as per the following approach:

- Identification of champions within the DDU–GKY national unit and CTSAs
- Comprehensive training and capacity building of PIAs with identified champion for quality assurance, financial SOP, and MIS systems
- Conducting training programme across identified nodal officers of state government
- Establishment of a central helpdesk for proactive guidance and clarification

As on date, at least 600 functionaries from PIAs, 160 state government functionaries and 40 officers of CTSAs and 30 members of the national unit have been trained in the reengineered processes and systems. Further, Ministry with the help of CTSAs have developed e-SOP certification module which will be rolled out shortly.

5.2 Communication and Dissemination strategy and approach

In addition to the training and capacity building sessions detailed in (3) above, the programme has ensured wide-spread communication and dissemination through:
1. Office orders
2. Website
3. Video-conferences with state heads and heads of PIAs
4. Personal communication with secretaries in state government
5. State level meetings

The above has ensured that the information and awareness is widely disseminated from the top level functionaries to the operational levels.

5.3 Technology Platform

1. Towards enabling GPR initiatives through technology, an Online PRN system has been used which helps potential PIAs to register with DDU–GKY for further submission of proposals.
2. Online proposal application management, which automates the submission and processing of proposals submitted by PRN holding PIAs, is also being implemented.
3. End-to-end ERP system enables concurrent monitoring of training centres and training quality.
4. PFMS, which helps integrating and automating fund management from the source to the last beneficiary.
5. e-SOP certification website

6. Impact of the Re-engineering Process

The Programme Guidelines were adopted in September 2013 and the detailed SOPs have been developed and adopted in two parts, first in September 2014 and the second in July 2015.
The geographic coverage of the programme is as follows:

| Number of States Implementing the programme | 22 |
| Number of districts impacted | 576 |
| Number of blocks impacted | 6,297 |
| Number of approved Training Centres | 680+ |
| Number of Job-roles offered | 450+ |
| Candidates Trained/ in-training at the time of writing this Case | 1.55 Lakh (~ 40,000+ are in training) |
| Candidates Placed in jobs | 69,000+ |
| Number of Action Plan States | 12 |
| Number of Projects implemented on PFMS | 153 |
| Number of Beneficiaries tracked through PFMS | 5,30,000+ |
| Number of PIAs (registered with PRNs) | 1,200+ |
| Number of PIAs with sanctioned Projects | 290+ |

Physical Infrastructure has been one of the key areas of impact. There has been a remarkable shift in the exterior look and internal ambience of the training centres. Recently, the Champion Employer Training Centre of Café Coffee Day was dedicated to the nation in Bengaluru.

Not only is the training centre visually inspiring, it is also unique. The basement houses the training facility with an installed capacity of 80 candidates. The ground level houses a functional Café Lounge (premium kind of coffee outlet of the brand), serving 10,000 captive customers working in the Global Village complex in leading IT companies. A candidate enrolled in the skill training course here learns for a period of 2 months. Once ready, OJT commences in the Café above.
External view of the Champion Employer Training Centre of CCD in Global village, Kengeri, Bengaluru

Classroom with AV equipment and Coffee machine

Coffe Lab with 2 machine, Chiller, Ice maker, Washer etc.

Functioning Café Lounge at the Ground Level of the TC

Entrance of the co-branded TC
Café Coffee Day, keeping with the DDU–GKY SOPs, has identified the Lesson Plan (Figure 4) as well as a clear and defined career path for each candidate, starting as a ‘Trainee’ and growing into an ‘Area Manager’ in 7 years. The Area Manager is responsible for more than 50 Café outlets in the area.
While the physical transformation has been taking place, impact of the reform and re-engineering has been felt across the DDU–GKY and skill training ecosystem. The making of the Internet enabled Monitoring & Evaluation ERP (developed on DDU–GKY norms and SOPs) is a case in point (Figure 5).

This ERP platform is currently being implemented through DDU–GKY’s CTSAs (NABARD Consultancy Services and National Institute of Rural Development and Panchayati Raj). It is expected that the ERP will be fully functional in the coming 6 months.

The PFMS is also being modified in parallel. It was originally developed to track and report fund utilization in an agency wise structure. As DDU–GKY PIAs could sanction multiple projects, it was necessary to modify PFMS to track and report fund utilization in a project wise structure. A small team of experts were engaged, both at MORD as well as in the source team (CGA, Ministry of Finance) to modify PFMS. In 6 months, this was achieved and PFMS was then rolled out across the Yeral Projects Society (YPS) projects, through the CTSAs. Through PFMS, the following has been enabled for MORD:

- Tracking of fund movements up to the last credit to the bank accounts of the beneficiaries
- Tracking of project expenses across vendors of PIAs
- Preparation of Utilization Certificates
With the implementation of PFMS, MORD has been able to track and monitor
the usage of advances released. Detection of fraud or misuse of funds and
recovery of funds has also been facilitated. For instance, when a PIA in
Karnataka diverted funds acquired from MORD for purposes other than skill
training, MORD was able to take suitable remedial action and recover about
Rs. 7 crore within a short span of 30 days. This was made possible as MORD
could identify the entire fund movement in real-time through PFMS.

With physical and financial infrastructure in place, MORD is now focused
on addressing the other challenges, viz. job retention and international
benchmarking. Some of the actions initiated by MORD are:

- **Training of Trainers (ToT):** is an initiative where working trainers in
  PIAs are put through a 2–3 day retreat focused on domain as well as
  facilitation skills. These sessions also apprise the trainers of new methods
  and teaching–learning aids available globally, techniques for developing
  and implementing internal assessments etc. Till date, such programmes
  have been conducted in five states (Assam, Bihar, Jharkhand, Odisha and
  Rajasthan), impacting over 130 trainers.

- **Setting-up of an e-learning and certification portal on DDU–GKY SOPs:**
  access to trained personnel across the eco-system is essential to building
  capacity, either through introduction of newer PIAs or through enhancing
  the staff strength of existing PIAs. This is made possible through the
  launch of the e-SOP portal. It covers all the modules of the DDU–GKY
  SOPs, and also has an assessment and certification process.

- **Working with SSCs of NSDC to develop new QP NOS:** In association
  with MNREGS team, DDU–GKY is developing a new Quality Pack for
'Bare Foot Engineers/ Technicians’. These are for training and creating manpower resources at the village level to assist in creating rural assets like water tank, bio-gas plants etc.

- **Working on detailed module on mobilization**: PULL strategy for skill training requires a different approach in mobilization. Extending branding to attract rural youth for skill training and fulfilment through PIAs lies at the core of this strategy and MORD has invested time and resources in creating a unique identity and communication for the brand. It is now planning and implementing mass mobilization campaigns in states. This will not only ensure that the needy candidates are pulled in, but will also allow PIAs to choose the right training programme for the candidate.

- **Release of framework for the establishment and running of Migration Support Centres**: It has been observed that a large number of placements result in migration of labour. To ensure job retention, MORD has evolved a guiding framework for the set-up and running of Migration Support Centres (MSCs). The MSC would act as a ‘home away from home’ for migrant labour and provide several necessary services like accommodation, refreshments, identification, medical and legal aid among others. In its Programme Guidelines, MORD has earmarked an initial corpus of Rs. 10 lakh for the same.

While there is still a long way to go, MORD has put in place the fundamentals needed for constructing and managing a large skill training programme that will not only offer options to cater to the aspirations of rural poor youth, but will also over time work as a strategic tool in poverty alleviation.
Annexure 1

The design of funding model for the programme has been reengineered to achieve the core objectives of retention and career progression for the trainees so as to achieve sustainable outcomes of poverty alleviation and economic transformation for the poor rural youth. Accordingly the DDU-GKY funding model provides incentives for career progression, job retention and overseas placements which are 1.3 times the support for skill training cost provided in the programme. Such a design has begun to enable the programme to attract champion employers and captive employers (those organizations that can skill for internal HR requirements) to partner with the programme.

Table 1: Unit Training Cost per candidate of basic sub-components under DDU-GKY for courses of different duration

<table>
<thead>
<tr>
<th>S.no.</th>
<th>Item</th>
<th>3 month</th>
<th>6 month</th>
<th>9 month</th>
<th>12 month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Training Cost (Rs.)</td>
<td>13696.00</td>
<td>19152.00</td>
<td>23562.00</td>
<td>26602.00</td>
</tr>
<tr>
<td>2.</td>
<td>Boarding and Lodging (Unit Cost/day for residential training)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>State Headquarters @ Rs 166 per day</td>
<td>14940.00</td>
<td>29880.00</td>
<td>44820.00</td>
<td>59760.00</td>
</tr>
<tr>
<td>b</td>
<td>District Headquarters @ Rs 120 per day</td>
<td>10800.00</td>
<td>21600.00</td>
<td>32400.00</td>
<td>43200.00</td>
</tr>
<tr>
<td>c</td>
<td>All other locations other than (a) and (b) above @ Rs 75 per day</td>
<td>6750.00</td>
<td>13500.00</td>
<td>20250.00</td>
<td>27000.00</td>
</tr>
<tr>
<td>3</td>
<td>Food and To &amp; Fr charges</td>
<td>9000.00</td>
<td>18000.00</td>
<td>27000.00</td>
<td>36000.00</td>
</tr>
<tr>
<td>4.</td>
<td>Post Placement Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>Placement within District of domicile (Rs 1000 per month for 2 months)</td>
<td>2000.00</td>
<td>2000.00</td>
<td>2000.00</td>
<td>2000.00</td>
</tr>
<tr>
<td>b</td>
<td>Placement within State of domicile (Rs 1000 per month for 3 months)</td>
<td>3000.00</td>
<td>3000.00</td>
<td>3000.00</td>
<td>3000.00</td>
</tr>
<tr>
<td>c</td>
<td>Placement outside State of domicile (Rs 1000 per month for 6 months)</td>
<td>6000.00</td>
<td>6000.00</td>
<td>6000.00</td>
<td>6000.00</td>
</tr>
<tr>
<td>5.</td>
<td>Uniform cost (cost of one pair is Rs 1000, 2 pairs provided in case of 9 m and 12 m course)</td>
<td>1000.00</td>
<td>1000.00</td>
<td>2000.00</td>
<td>2000.00</td>
</tr>
<tr>
<td>6</td>
<td>Minimum wages for placements in India (per month): Cost to Company (C'ler) minimum wages whichever is higher</td>
<td>6000.00</td>
<td>8000.00</td>
<td>12000.00</td>
<td>15000.00</td>
</tr>
<tr>
<td>7</td>
<td>Minimum wages for placements abroad</td>
<td>25000.00</td>
<td>25000.00</td>
<td>25000.00</td>
<td>25000.00</td>
</tr>
</tbody>
</table>

Note: A PI may claim only one of the costs given in S.No.2 or No.3 while costing for the project.
Annexure 2

Employer engagements and priorities as envisage in the Guidelines:

This is an extract of the Guidelines categorizing PIAs/ projects. The priority for projects in the SOP is derived here from.

<table>
<thead>
<tr>
<th>No</th>
<th>Category of PIA</th>
<th>Eligibility criteria</th>
<th>Project size &amp; period (Rs.)</th>
</tr>
</thead>
</table>
| 1  | Category A     | a. Foreign placement PIA, i.e. an eligible entity which has annually placed 500 or more overseas jobs with a minimum salary of USD500 or more per month in the last two years from the date of application for a project; or  
|    |                | b. A Champion Employer who has a valid “Champion Employer MoU” with MoRHB; or  
|    |                | c. A Captive employer, i.e. an eligible entity which has provided 500 or more captive jobs annually in own or subsidiary agencies/ companies in the last two years from the date of application for a project; or  
|    |                | d. An eligible entity owning an industry with a turnover of average Rs.100 crore in previous three years, and placement of 500 or more candidates in own or subsidiary agencies/companies in last two years from the date of application for a project; or  
|    |                | e. An Educational Institutes of high repute, i.e. a PIA which is an educational institute with a minimum score of 3.5k on CGPA out of 4.00 in NAAC grading or is a Community College which has received funding from UGC or AICTE in the last two years; or  
|    |                | Up to Rs. 50 crore per project (total approved cost including state share). Project period maximum of five years |
Annexure 3

Duration and content specifications appear in separate places in the Guidelines and SOPs. Some of the extracts are:

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**3.2.2.3 Content**

Course content should be in tune with the requirement of industry/ trade. This is to be certified by the employer if the training is for captive employment. In all other cases it should be certified by National Council for Vocational Training (NCVT) or Sector Skills Council (SSC) or any other agency notified for the purpose by MoRD. In special cases certification by nationally acknowledged proprietary training brands will also be considered provided it has been approved by MoRD. Other important aspects are:

i. Training and course content should facilitate learning by rural poor youth who may not have exposure to English.

ii. There should be mandatory modules on soft skills, communication and IT.

iii. Mixed media modules, interactive pedagogy which includes games, role plays should be used. Curriculum and daily session plan should be uploaded on the PIs website and transferred on to http://ddryag.gov.in.

iv. Adequate practical and on the job training / internship must be incorporated into the training module where necessary.

v. Course material and exercises should be available online so that trainees who wish to use it to revise and improve themselves are able to do so. Keeping in mind the proliferation of mobile based learning opportunities, the development and deployment of mobile phone based content is expected.

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1. Persons who are placed after a training program on skills, soft skills, English and IT ranging from a minimum of 536 hours to a maximum of 2304 hours.

2. Persons who are placed after a training program on skills, soft skills, English and IT of 2304 hours which includes a two part training program of nine months + three months. The nine month period is used to enable acquisition of a National Institute of Open Schooling (NIOS) qualification (8th or 12th class), and the three months period is the standard skills, soft skills, English and IT intervention of 536 hours.

3. Persons who are placed in a foreign country after a customised training program of not more than 2304 hours duration.

4. Persons who are placed after three months (536 hours, six months (1152 hours), nine months (1728 hours) or twelve months (2304 hours) training program with a provision for On-the-Job Training(OJT).

---

**3.2.2.25 Finishing and work readiness module**

PIAs should mandatorily have a finishing and work readiness module as a part of curriculum. It should preferably be done in PIA established finishing and work readiness centres located in places with high concentration of job opportunities. These centres should be staffed by specially trained high quality trainers who are adept at providing inputs that ensure high success rates at placement interviews and post placement retention. These centres should:

i. Run short residential courses typically seen to ten days long. During this training alumni should meet and inspire the current batch.

ii. Have a dedicated team that helps candidates find suitable accommodation, get access to healthcare etc.

iii. Provide support for finding alternate jobs in case the initial placement is unsuccessful.

iv. Provide counselling and advice on personal issues.

These interventions are expected to improve retention and help trainees make a smooth transition from their homes to the new work place. A one-time travel cost to the training centres will be allowed based on actuals with a maximum limit of Rs 4500/- per trainee.

---

**13.1 Shift in emphasis - from training to career progression**

In the skills sector the emphasis traditionally has been on training. With the Special Projects for Skill development under Swarajyant Gram Swarozgar Yojana (SGSY), MoRD broke new ground by insisting on placement. This was further refined by defining placement as continuous work for three months with salary slip as evidence. These guidelines extend/sharpen this approach:

i. Proof of regular wage employment demonstrated by the salary slip from the Human Resources department of the organization. In case the organization does not have a HR department, certificate issued by the employer indicating wages paid and counter signed by the employee along with the bank statement indicating that wages have been paid by crossed demand draft or money transfer will demonstrate proof of regular wage employment.

ii. Introducing post placement training, counselling and facilitation for a period of
Annexure 4

The specifications of the standards applicable and Standard Forms are covered in Chapter 5 of the SOP Part 1. Some of the extracts are:

5. Training centres

Part 6: Standards for due diligence of a training centre and instructions for filling the form

- Standards are prescribed as per the table given below.
- Most details in Part A have two sets of data. First is the physical measure or pertinent mention with the form and second is the reference to the referenced standards.
- Where data is not required then column need not be filled and it is shaded like this:

<table>
<thead>
<tr>
<th>Clause</th>
<th>Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Basic Information</td>
<td>To be filled as per instructions given in the form.</td>
</tr>
<tr>
<td>2. Physical Infrastructure</td>
<td></td>
</tr>
<tr>
<td>3. Basic Details</td>
<td>Base data.</td>
</tr>
<tr>
<td>4. Conformance of centre to standards</td>
<td>Notes: These are the minimum prescribed standards. These do not replace any standards prescribed by statutory bodies unless the latter are referred to above.</td>
</tr>
<tr>
<td>5. Compliance with the GAZETTED REQUISITIES</td>
<td></td>
</tr>
</tbody>
</table>

- The width of the centre should be at least 15 feet or the area should be not less than 150 square yards. |
- The number of rooms for the candidates should be calculated as given in the minimum - to the standards. |
- The number of washrooms for the candidates should be calculated as given in the minimum - to the standards. |

- No provision. |
- There should be an Upper Hand Tank (UHT) for a training centre. The water connection in the tanks and toilets should connect to the CHW. Water should be available during the working hours of the training centre. |
- No provision. |
- Establish the centre in a safe and easily accessible place. It should be close to the road with good access but should not be located in a busy market place.
Annexure 5

Roles and responsibilities of concurrent monitoring are identified in multiple places in the Programme Guidelines. Some of the extracts are:

6.5 Concurrent monitoring outputs

6.5.1 Forthnightly monitoring and guidance notes to PIAs using online MIS of PAI-CTAs will monitor the online MIS on a regular basis and issue/upload forthnightly guidance notes to identify and notify non-compliance and for improving the use and functioning of online MIS.

6.5.2 Monitoring of compliance by PIAs on points raised in a guidance notes; PIAs will be required to comply with these points raised in the guidance notes within a week of the upload of guidance notes.

6.5.3 Monthly inspection of training centres by Q team of PAI: Q team of PAI will undertake monthly inspection of training centres. The proceedings of these visits will be recorded through GPS-enabled video/audio clips and uploaded along with action points for compliance by the training centre manager and trainers in the workflow MIS and monitored for compliance.

6.5.4 Bi-monthly inspection of training centres by State TSA: SRLM officials/State TSA will undertake bi-monthly inspection of training centres. The proceedings of these visits will be recorded through GPS-enabled video/audio clips and uploaded in the workflow MIS along with action points for compliance by centre managers and trainers monitored for compliance.

6.5.5 Tri-monthly inspection of training centres by MORDs CTA: MORDs CTA will undertake tri-monthly inspection of training centres. The proceedings of these visits will be recorded through GPS-enabled video/audio clips and uploaded in the workflow MIS along with action points for compliance by centre managers and trainers monitored for compliance.

Concurrent Evaluation in DDU-GKY is done through:

I. Forthnightly review of the PIAs web site and issuing advisories on shortfalls or deviations with respect to performance targets. This is to be done by the SRLM or by the Technical Support Agency (TSA). PIAs are required to ensure that the daily status of geo-tagged time stamped attendance of both trainers and trainees are available on their website as is the daily status of all equipment, teaching aids and consumables. Trainees’ details of tests and quizzes administered along with questions and answers and marks should also be available for inspection on the website.

II. Monthly inspection of each training centre by the Q team of the PAI. During these inspections the Q team will use protocols developed by MORD for this purpose and post the results on their website along with the tagged, time stamped biometric devices for taking attendance of trainers and trainees and pushing it in real time to a central server visible to the Q team of the PAI and State/MORD CTA will be one of the prerequisites for starting up a training centre.

6.5.7 Read-only access to project bank account: PIAs will have to open a separate bank account for the DDU-GKY project and register the account details on FFMS so that read-only access is available to the TSA/SRLM of the bank account of the PAI. Using this the TSA/SRLM will monitor:

i. Timely salary payment to trainers

ii. Timely payment of monthly post-placement support to placed candidates

iii. Timely payment of monthly transport and food support to non-resident trainees.

6.5.8 Online logging of training centres: Daily opening and closing of training centres has to be logged online along with geo-tagged time stamped photograph of the class room and lab.

6.5.9 No monitoring other than the above. No separate progress reports are to be submitted by the PIAs. Instead the State and SRLM Skills IT portal should be exchanging information on real-time basis as they are interest-enabled and workflow driven. This will ensure that all stakeholders will have up-to-date information on all aspects of each project on a real-time basis. Till such time that the State and NRLM Skills platforms are rolled out, monthly reports may be uploaded on the NRMIS Skill site.

6.5.10 Evaluation: Evaluation of DDU-GKY projects serves two key purposes. First it improves systems and processes for programme delivery. Second it encourages and supports learning among stakeholders including PIAs. Evaluation by reputed external agencies brings in newer perspectives and helps improve efficiency and effectiveness.

These evaluations form the basis for:

1. Improving the quality and delivery of the programme.

2. PIAs using internet enabled accounting software to manage their funds and using this to provide view only access to SRLM or its TSA. Voucher level data should also be available through this. PAI will use a singly designated bank account to receive and make all payments of DDU-GKY funds. This account will be mapped to the Central Plan Scheme Monitoring System (FPSM) and view only rights will be given to the SRLM and the TSA. Financial monitoring of projects required for assessing fund release readiness conditions will be done using bank account details on FFMS and accounting details on the online software. Once in three months visits to physically check the velocity of the online accounts will also be undertaken by the SRLM and the TSA. During the physical check of accounts, the