

**Government of India  
Planning Commission  
(LEM Division)**

***Subject: Scheme for “New Initiative in Skill Development through PPP” - Guidelines for Grants-in-Aid & Other Heads***

## **1. Introduction**

The Planning Commission has initiated a new central sector scheme named “**New Initiative in Skill Development through Public Private Partnership**” with the objective of strengthening the skill development mechanism to reap the benefit of demographic dividend India is enjoying. India is expected to dominate the global workforce in the near future. But this requires equipping the workforce with the appropriate skills acceptable across the globe and Indian market. The technical training infrastructure at present suffers from number of deficiencies in terms of capacity, its utilization and alignment with the market requirements.

The scheme would facilitate improving both qualitative and quantitative aspects of skill development in Mission Mode by harmonizing efforts of Central / State Governments as well as private sector through State Skill Development Missions. Accordingly, a frame work has been laid for long-term skill development policy to equip the workforce with varied skills consistent with demands arising from industry.

## **2. Scope and Coverage**

2.1. The proposals sought to be supported under this scheme would **(A)** help in designing the skill system to deal with the divides of gender, rural /urban, organized / unorganized employment, and traditional /contemporary work , social divide , economic divide , the literacy divide , regional divide; **(B)** help in the establishment of the National Skills

Inventory and the Database for Skills Deficiency Mapping; **(C)** Setting up of State Skill Development Missions and supporting / empowering them; **(D)** Strengthening Institution based skill development; **(E)** Coordinating training initiatives of various Departments/ Ministries to achieve convergence; **(F)** Independent study / research proposals submitted to Planning Commission in the specific areas of skill development; and **(G)** Other initiatives of Planning Commission like holding of conferences / seminars, exposure to officials through training etc. in skill development through PPP; and **(H)** Monitoring, Evaluation and Analysis of Outcomes of different schemes and programme of public and private players in the Skill Development effort;

2.2. The support from the Planning Commission for proposals/project under this scheme may take either of the two following forms:

(i) Private-Sector owned and Managed skill delivery to prospective candidates (access to infrastructure, fee support to the candidates, work benches etc.); and

(ii) State-run institutions (Industrial Training Institutes of Ministry of Labour and Employment, Entrepreneurship Development Initiatives of the Ministry of Micro, Small and Medium Enterprises etc.) where private sector provides expertise in the form of teachers/trainers and/or machinery, toolkit/ tool room, laboratory etc.

2.3. Industry-interface for assessment of demand for skills in the local area/region, updating of course content, and suitability for employment of the trainees. This will have a consultative mechanism, with room for mid-course corrections during the implementation of the schemes.

2.4. In this effort at widening the ambit of Public-Private Partnership in providing these services, schemes / programmes run by several Ministries will also be taken on board with a view to attain convergence, wherever possible.

### **3. Types of Initiatives Eligible for Grants in Aid**

3.1. An illustrative list of skill development initiatives in States /UTs for which Grants in aid will be provided under the present scheme:

- i) Skill Mapping Studies for assessment of skill deficit, sector-wise and region-wise proposed by Private Sector Organizations/ industry associations, Non-Governmental Organisations. The final output of such studies should include suggestions regarding strategies for bridging the gaps, if any, identified by the study.
  
- ii) Sector-specific skill councils may be established by the State Governments for such industry sectors which have major share in State Gross Domestic Product or have high potential for growth with reasonably high labour intensity in the nature of Centres of Excellence. These Centres of Excellence would lead in the development of Curriculum, train the trainer, and devise model assessment and other procedures, in consultation with NCVT or other bodies charged with such functions, with a view to making these Centres of Excellence autonomous, subject their courses/ certificates etc. being subsumed under the National Educational-Vocational Qualifications Framework. The skill councils should have participation from the regulatory body, industry leaders/ associations, external professional consultants and a Director-level officer of the State Government concerned. Funding for such proposals will have to be recommended by the

State Government concerned. If several states wish to jointly set up such a council, enhanced funding may also be considered.

iii) Monitoring and Evaluation studies of on-going schemes and programmes of various Central Ministries/ State Governments. The final output of such studies should include (i) findings as to whether the course content and pedagogy need any modifications in design/delivery to meet industry's requirements, including those relating to technological advancements; (ii) findings as to whether administrative/financial autonomy is likely to help in better delivery of services; and (iii) an analysis of labour market outcomes for the persons trained.

iv) Action research proposals to expand existing skill development courses/apprenticeship programmes to a wider/larger clientele, with a view to bridging the various divides with active participation from private sector including teachers/trainers drawn from the cadres of supervisor level of respective industry and support for tool room/ laboratory.

v) Action research proposals to expand facilities for training of trainers. This need not be confined to persons who have already been appointed as teachers/trainers, but may include prospective teachers/trainers who will be required due to capacity expansion in existing skill development courses/apprenticeship programmes to a wider/larger clientele.

3.2. Further progress on sustainable skill development projects with regard to the areas of gap so identified may be taken up under appropriate schemes of the concerned Administrative Ministry and/or

National Skill Development Corporation, subject to usual appraisals/ approvals.

3.3. Award of grant will be considered only on the basis of viable and specific schemes drawn up in sufficient detail by the institution. The budget for such schemes should disclose inter-alia the specific and qualitative targets likely to be attained against the outlay, well in advance. All funding would be milestone linked and an outcomes report has to be prepared. The Reporting structure has to be clearly indicated in the proposal itself.

3.4. Notwithstanding anything in the foregoing eligibility conditions, an initiative in any other form of exceptional merit that furthers the objectives stated above may also be sponsored for consideration of the Planning Commission for Grant-in-Aid under this Scheme.

#### **4. Eligibility of Institutions for seeking Grants in Aid**

4.1. All the State Government/UTs will identify one Institution (hereinafter called the "State Mission Secretariat") each having a distinct legal entity which will provide secretarial assistance to State Skill Development Missions (SSDMs). The State Mission Secretariats will be required to open a dedicated account of the Government Grant and furnish to the Accounts Officer a set of Audited Statement of Accounts. Funds will be released by Planning Commission to the State Mission Secretariat and the sanction orders will specify, *inter alia*, the organization and the proposal for which the funds are to be utilized. It will be the responsibility of the State Mission Secretariat to obtain progress reports and utilization certificates etc. per financial rules of the State Government and forward copies of the same to the Planning Commission for further action. Project proposals to cover population in the age group

of 15-59 years, in districts adjacent to districts having hectic economic activity/ skill formation/development activity will get preference.

4.2. Institution or Organization set up as an Autonomous Organization under a Specific Statute or as a Society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882 or other Statutes, and academic Institutions accredited/affiliated to a University or deemed University with three years standing will be eligible for grants-in-aid under this scheme.

4.3. Institutions or Organizations that have successfully, executed projects for institutions under Central Government/ State Government which have been established for financing skill development will get preference.

4.4. Private Sector firms/companies that have undertaken skill development activities in at least three years in the past may also apply. They will be required to establish institution/society/trust as in Paragraph 4.2. and their past experience will be counted towards the requirement in Paragraph 4.2., before they are allowed to withdraw funds from the State Mission Secretariat.

4.5. All grantee institutions will have to execute appropriate bonds with the State Mission Secretariat.

4.6. The decision of the Labour, Employment and Manpower Division, Planning Commission regarding the eligibility of an institution shall be final. Any Institute which has been black listed or debarred from receiving any grants from Central/ State Governments need not apply.

## **5. Sanction and Disbursement of Amount under the Scheme**

5.1. Grants-in-aid for various projects under “New initiative in Skill Development through PPP” will be sanctioned after being approved by the Sanctioning Committee. The Sanctioning Committee will comprise of Member-Secretary, Planning Commission as Chairperson, Addl. Secretary & Financial Adviser, Planning Commissioner, Principal/Senior Adviser of Labour, Employment and Manpower Division, Planning Commission and Adviser of the concerned Division if the proposal relates to a specific sector as Members.

5.2. The project proposal would be approved by Sanctioning Committee by circulation. The Sanctioning Committee has the power to approve, modify or curtail expenditure on any of the components, including professional, technical, administrative and logistic components, of the proposals. The Sanctioning Committee may, in appropriate cases, require the institution to make pre-appraisal presentation of the proposal with regard to the salient features and expected outcomes.

5.3. Grants-in-aid for various projects under “New initiative in Skill Development through PPP” shall be disbursed in three installments.

- First instalment of 30% will be released on approval and after receiving the acceptance of Terms and Conditions on Bond\* of One Hundred Rupees Non Judicial Stamp Paper duly executed by the Head of the recipient / grantee Institution authenticated on each page along with structured / non-structured schedule of proposed project.
- Second instalment of 45% will be released on receipt of the detailed progress report and output in physical terms e.g. data collected, compiled and table plan / tables prepared etc.

of work done with brief analysis / report of achievement of targets both in terms of quantity and quality and receipt of Utilization Certificate\* in the prescribed format.

- Third and the final installment of 25% would be released after submission of final document / report and Utilisation Certificate\* of full amount approved and certified statement of expenditure of amount incurred on the project, duly signed by Head of the Institute.
- Any deviation will be reported to the Labour, Employment and Manpower Division, Planning Commission for such decision as it may take thereon.
- There would be a cap of ₹25 lakh on pure research proposals and studies and ₹50 lakh on action research proposals which will provide framework for implementation of the project.
- Sanction orders intimating the approval of the Sanctioning Committee shall be issued by LEM Division. LEM Division shall generate electronic sanction – ID as required under the Central Plan Scheme Monitoring System (CPSMS) scheme for all sanctions under “Grants-in-aid” and “Subsidies”.

**(\*) Specimen of Bond and Utilization Certificate are at Annexure-I & II respectively.**

5.4 The amount sanctioned for the said work will be all inclusive and the concerned organization shall not claim any other expenditure whatsoever apart from the total amount sanctioned.

No capital expenditure may be allowed to be incurred from grants-in-aid under the scheme.

## **6. Instructions for Submission of Proposals and Conditions for undertaking**

6.1. All the skill development proposals from Institutions for consideration of Grants-in-aid complete in all respect may directly be addressed to:

**Adviser  
Labour, Employment and Manpower Division  
Planning Commission  
(Government of India)  
Yojana Bhavan, Sansad Marg  
New Delhi-110 001**

6.2. Proposal for grants in aid shall be submitted by Head of the Institute or by an Officer of the Institution empowered to execute legal documents on behalf of the institution along with the following requisite documents required in consonance with General Finance Rules, 2005. Academic Institution Affiliated/accredited with a University or a Deemed University will submit their research proposal only through the Register of the University. A copy of the same shall also be submitted to the State Mission Secretariat.

- a. The Audited Statements of Accounts of the Institute / University of the previous two years.
- b. Copy of the Constitution/Memorandum of Association (MOA) and by Laws of the Institute.
- c. 'Undertaking' that: *"The Institute/University (name) has not applied for or obtained grant for the same purpose / proposal for conducting study / seminar on "-----" from any Ministry / Department of Centre / State Governments".*
- d. Copy of the Institute (Society) / Trust Registration Certificate

### **6.3. Conditions for Execution of Schemes**

6.3.1 The Institution will have to execute a Bond in favour of the Planning Commission on non-judicial Stamp paper. The Institution will mention a subsidiary account of grants in aid received from Planning Commission. All proposals for financial support will need to be approved by the Planning Commission before commencement of project under the scheme. No capital expenditure may be incurred from grants in aid provided under this scheme (building, infrastructure, vehicles etc).

6.3.2. First and subsequent installments of approved grants in aid will be released after provisional review of requisite documents relating to project under the scheme. Certificate of expenditure incurred against approved amount of grants in aid on the project will be issued by Head of the Institution or any other officer empowered to execute legal documents on behalf of the institution and counter signed by the Member Secretary of State Skill Development Mission (SSDM).

6.3.3. Planning Commission reserves the right to visit the site of project for review of work being carried out by the grantee.

6.3.4. Intimation or progress of work will be submitted to Director/Deputy Secretary (LEM), Planning Commission by the Project Director/Head of the Institution through proper channel.

6.3.5. If the progress or performance of the grantee is not found to be satisfactory by the Planning Commission, Planning Commission reserves the right to discontinue the grants in aid sanctioned and to recover, whether fully or in part, the amount already paid to the Institution as per the conditions of Bond executed by the grantee.

## **7. Other conditions for Acceptance of the Grantee for Undertaking Project**

7.1. All sanctions of Planning Commission shall be issued in favour of the Institution.

7.2. The Institution will be required to submit a certificate from the Head of the Institution/any other authorized officer to the effect that expenditure has been incurred in accordance with conditions specified in the letter of approval.

## **8. Processing of Proposals for “Foreign Travel Expenses (FTE)”, “Domestic Travel Expenses (DTE)”, “Publications / Other Administrative Expenses (OAE) / Professional Services & Office Expenses (OE):**

8.1 LEM Division will be the Controlling Division for the scheme for budgetary control purposes. Administrative approval of the Sanctioning Committee for the proposals involving expenditure on items like FTE, DTE, Publications, OE and OAE shall be obtained by LEM Division and forwarded to the Functional Divisions (Finance, Administration, Cash, Protocol, CM) in Planning Commission along with budget authorization who will then process the proposals as per laid down procedures.

**BOND FORM**

Know all me by those presents that \_\_\_\_\_  
Samiti/Sansthan/ Institution/an association registered under the societies registration Act,  
1860 (21 of 1860) and having its office at \_\_\_\_\_  
in the State of \_\_\_\_\_ (here-in-after called the 'Obligator') \_\_\_\_\_ son  
of \_\_\_\_\_ resident of  
\_\_\_\_\_ (ii) son of  
\_\_\_\_\_ resident of  
\_\_\_\_\_ (here-in-after called sureties) are  
held and firmly bound to the President of India here-in-after called the Government in the  
sum of \_\_\_\_\_ Rs. \_\_\_\_\_ (Rupees  
\_\_\_\_\_ ) together with interest  
thereon at the prevailing borrowing rate of the Government of India from the date of receipt  
of the said amount by the Obligator upto the date of the refund thereon to the Government.

2. Signed this \_\_\_\_\_ day of \_\_\_\_\_ in  
the year Two thousand .

3. Whereas on the Obligator's request the Government has as per Planning  
Commission's letter No. \_\_\_\_\_ dated \_\_\_\_\_ and here-in-after  
referred to as the letter of sanction (which forms an integral part of those presents and a copy  
where of is annexed here to as Annexure 'A') agreed to make in favour of the Obligator for  
the \_\_\_\_\_ purpose \_\_\_\_\_ of

\_\_\_\_\_ payment of Rs.  
\_\_\_\_\_ (Rupees \_\_\_\_\_ out of which Rs.  
\_\_\_\_\_ (Rupees \_\_\_\_\_ ) have already been paid to the  
Obligator (the receipt whereof the Obligator do hereby admit and acknowledge) on condition  
of the Obligator executing a bond alongwith two sureties as per the terms and conditions and  
manner explained below which the Obligator and at its request the sureties have agreed to do.

4. Now the condition of the above written obligation is such that if the  
Obligator shall dully fulfil and comply with all its conditions mentioned in the sanction letter,  
then the above written bond or obligation shall be void and of no effect, but otherwise it shall  
remain in full force, effect and virtue. These presents further witness that:-

- (a) That decision of the Secretary, Planning Commission, Government of India or  
the administrative head of the Planning Commission, Government of India  
administratively concerned with the matter, on the question whether there has  
been breach or violation on the part of the Obligator of any of the terms and  
conditions mentioned in the letter of sanction shall be final and binding on the  
Obligator.
- (b) The liability of the sureties here under shall not be impaired or discharged by  
reason of time being granted by the Government or any forbearance, act or  
omission by or on the part of the Government whether with or without the  
knowledge or consent of the sureties in respect or in relation to the obligations  
or conditions to be performed or discharged by the obligator or by reason of  
any of the matter or thing whatsoever which under the law relating to the  
sureties shall but for this provision have the effect of so releasing the sureties  
from such liability, nor shall it be necessary for the Government, to pursue the  
obligator before using the sureties or either of them for the amount due here  
under.

- (c) The Institution agrees and undertakes to surrender/pay to Government the monetary value of all such pecuniary or other benefits which it may receive or derive/have received or derived through/upon unauthorized use payment for purpose other than that for which the payment was intended or the assets/ purchases largely from out of the above payment. The decision of the Member-Secretary, Planning Commission or the administrative head of the Department concerned as regards the monetary value of aforementioned to be surrendered/paid to the Government will be final and binding on the Institution.
- (d) The Obligator or the sureties shall in the event of breach or violation of any of the terms and conditions mentioned in the letter of sanction, refund to the Government, on demand and without demur the entire amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) or such part thereof as may be mentioned in the notice of demand issued by the Government alongwith the penal interest @ 2.5% over and above the interest rate allowed by the Government of India on provident fund of its employees from the date of receipt of the said amount by the Obligator up to the date of refund thereof to the Government.
- (e) The Government has agreed to bear the stamp duty, if any chargeable on these presents.

5. In witness thereof these presents have been executed on behalf of the Obligator and the sureties the day and year here in above written and accepted for (Name and designation) on the day and year appearing against his signature:

Signed for and on behalf of \_\_\_\_\_  
by Shri \_\_\_\_\_  
(Name & Designation)

Signature of Head of Institution/  
President/Secretary/Chairman/on  
behalf of the Institution with  
official seal.

(Name & Designation in the presence of):

1. \_\_\_\_\_ Signature of witnesses of the above persons.

2. \_\_\_\_\_

- Signed by Shri (I) \_\_\_\_\_ Signature of two Independent Sureties (as on page i)  
and Shri (ii) \_\_\_\_\_ (Whose name may be given on pre-page).

Sureties in the presence of :

1. \_\_\_\_\_ Signature of witnesses of sureties.

2. \_\_\_\_\_

- These should be two outside persons.

Accepted for and on behalf of the President of India.

Note: If the Samiti/Sansthan/ Institution/Centre/an Association is registered body under Societies registration Act, 1860 then there is no need to furnish any surety.

## Bond Form

**Form of Utilization Certificate**

<b>Sl. No.</b>	<b>Sanction Order No. &amp; Date</b>	<b>Amount (In Rs.)</b>
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Certified that out of Rs. \_\_\_\_\_ of Grants-in-Aid sanctioned by Planning Commission during the year in favour “\_\_\_\_\_” under the Ministry / Department letter number given above and Rs. \_\_\_\_\_ has been utilized for the purpose of carryout the Research Study / Seminar on “\_\_\_\_\_” for which it was sanctioned and the balance of Rs. \_\_\_\_\_ remaining unutilized will be adjusted towards the Grants-in-Aid payable.

2. Certified that we have satisfied ourselves that the conditions on which the Grants-in-Aid was sanctioned have been dully fulfilled and that we have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kind of checks exercised.

**Signature of the Head of the Institution  
(Stamp/Seal)**

**Place** \_\_\_\_\_

**Dated** \_\_\_\_\_

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