Meeting Notice

No. J-17064/02/2017-DDU-GKY
Government of India
Ministry of Rural Development
(Rural Skills Division)

Thapar House, 1st Floor, Western Wing,
124, Janpath Connaught Place,
New Delhi- 110001
Dated: 2nd March, 2017

OFFICE MEMORANDUM

Sub: Meeting of Empowered Committee of NRLM for DDU-GKY-reg.

The undersigned is directed to refer to this Ministry’s O.M. of even No. dated 1st March, 2017 regarding the Meeting of Empowered Committee of NRLM for DDU-GKY scheduled on 3rd March, 2017 at 11:00 AM under Chairmanship of the Secretary, Ministry of Rural Development at Unnati Conference Hall, Ministry of Rural Development, Krishi Bhavan, New Delhi. The Agenda Items for the meeting is enclosed herewith.

2. It is requested to kindly make it convenient to attend the aforesaid meeting.

(S.B. Tiwari)
Under Secretary to the Government of India
Tel: 23743625

To,
1. AS &FA, M/o Rural Development
2. AS (RD), M/o Rural Development
3. Shri Rajesh Agrawal, Joint Secretary, M/o Skill Development and Entrepreneurship, Shivaji Stadium Annexe Building (2nd Floor), SBS Marg, Connaught Place, New Delhi-110001
4. Principal Secretary, Department of Rural Development, Government of Telangana, Hyderabad
5. CEO &MD, NSDC, New Delhi
6. Shri Adarsh Singh, World Bank, New Delhi
5. DG, NIRD, Hyderabad
6. Vice President, NABCONS, New Delhi

Copy to:
1. PPS to SRD
2. PPS to AS&FA
3. PPS to AS
4. PPS to JS(Rural Skills)
Agenda for meeting of Empowered Committee of NRLM scheduled on 3\textsuperscript{rd} March 2017 at Unnati, Krishi Bhavan, New Delhi

Agenda 1. Simplification of the appraisal process
1.1 The Empowered Committee for NRLM in its meeting held on 20\textsuperscript{th} February 2017, had considered the agenda item on streamlining the appraisal process for fresh DDU-GKY projects. The EC had directed that Ministry may review the proposal to retain certain critical provisions and place the revised proposal before EC in its next meeting. The same has been undertaken and a revised proposal is placed for consideration of EC as below:

Proposal for consideration
1.2 Following simplification in appraisal process may be considered:

(i) Reduction in number of mandatory documents at Initial Screening phase from 31 to 19 and:
   a. Scoring will be done on the basis of 19 documents in fresh proposals
   b. Online Application System to be modified accordingly - Only 19 documents collected wef 1st April 2017.
   c. For existing applications – Only 19 documents to be checked and scored accordingly.

(ii) Qualitative Appraisal will be as follows-
   Questionnaire 1 - For PIAs having experience of more than 1 year the appraisal will be on 20 questions (instead of 47 questions) and 32 documents (instead of 74 documents)
   Questionnaire 2 - For PIAs having no skillling experience, the appraisal will be on 17 questions & 22 documents.

(iii) Subject Matter Experts (SMEs) may be associated at the time of due-diligence of projects. This stage comes after a project has been sanctioned. This will ensure compliance as well as reduce unnecessary incidence of costs on applicants who may not necessarily be shortlisted/selected.

(iv) In order to reduce the time delay and cost on physical verification, it is proposed that in case of PIAs who are not undertaking DDU-GKY projects, Head Office visit will be conducted. Placement details of candidates for such applicants shall be undertaken through phone/skype. However, if the PIA is an existing DDU-GKY partner then physical verification will not be necessary and all assessments shall be done on the basis of performance in DDU-GKY projects.

(v) One time Edit Option in the Application Submission stage for Missing Documents and clarifications.

(vi) Ministry would empanel Project Appraisal Agencies suitably.
1.3 Taking into account the requests of State Governments, in order to capitalize on 
PIAs proven performance, encourage optimal utilization of available infrastructure, and 
reduce time-lag in appraisal process for PIAs with proven performance in the State, it is 
proposed:
(A) to allow States to consider sanction of additional targets (from States quota of 
target numbers freed out of foreclosure / right-sizing of projects of poorly performing 
PIAs and balance Action Plan targets to be sanctioned), without the need to undergo 
Qualitative Appraisals to such PIAs who meet the following criteria in the State:
(i) PIA should have received 2nd installment in the ongoing project in the 
State.
(ii) PIA should have trained 80% of the project target and placed 45% of the 
project target in the ongoing project.
(iii) PIA should not have any Major Penalty imposed on it in the State.
(iv) PIA should not have sought/granted a project tenure extension by the 
State in its ongoing project.
(v) Additional targets allocated to PIAs shall be limited to the capacity of 
Training Center infrastructure available with the PIA in the State.
(B) In case of PIAs who have been sanctioned projects under Aajeevika Skills (under 
FIFO system) and are presently undertaking projects successfully in a State who satisfy 
conditions at (A) above, it is proposed that the States may be allowed to consider 
sanction of additional target to such PIAs as a one-time measure for targets available in 
2017-18 only, without going through QA process.
(C) In the case of PIAs who have been selected/ are likely to be selected after due 
process of project appraisals under the current DDU-GKY norms and who satisfy 
conditions at (A) above, it is proposed that States may allocate additional targets to 
such PIAs from targets available not only in FY 2017-18 but also subsequent years.

1.4 In order to reduce repetition, increase efficiencies and reduce delays, it is 
proposed that Ministry may issue a clarification that in all such cases where a 
Qualitative Appraisal has been completed for a PIA in any particular project application 
by a State, the results of the same may be also used by other states for appraisal of 
projects applied by the same PIA in their state without undergoing another round of 
Qualitative appraisal. However, the State would be required to undertake process of 
Initial screening and CTSA feedback including past proven performance in DDU-GKY 
while placing the proposal before its Project Approval Committee for decision.

Agenda 2: Introduction of Performance Bank Guarantee for DDU-GKY projects
2.1 A total of 544 DDU-GKY projects are ongoing in the country. Out of these, in 77 
projects, even after one year of release of first installment, the projects have not
achieved their second installment milestones. These 77 projects are an area of concern as there is a high possibility of these converting into cases for full or partial recovery.

2.2 States have expressed concern on the likelihood of poor recovery and lack of deterrent in the system to facilitate even a partial recovery. Separately, few States have already started imposing Bank Guarantees. Bihar and Odisha had introduced Bank Guarantee earlier, but had withdrawn the same as there was no provision for Bank Guarantee in DDU-GKY Guidelines. In Rajasthan Bank Guarantee is levied at 6.25% of the total project cost at the time of first installment and is released after 3rd installment. Bank Guarantees have recently been imposed by Tamil Nadu and Jammu & Kashmir at the rate of 6.25% of the project cost. These would be applicable on new projects proposed to be sanctioned in these States. In case of Gujarat, a Bank Guarantee of 6% of project cost is notified to be charged.

2.3 In order to mitigate the risk involved and for ensuring greater adherence to project timelines, it is proposed that Ministry may uniformly prescribe a Performance Bank Guarantee of 6.25% of the project cost (as has been introduced in various states), which would be valid till three months after the tenure of the project.

Proposal for consideration:
2.4 It is proposed that a Performance Bank Guarantee at the rate of 6.25% of the Project cost may be imposed on all ongoing DDU-GKY projects. The validity of Performance Bank Guarantee shall be till three months after the tenure of the project period.

Agenda 3: Special Project for increased Placement of Rural Poor Youth in terms of Common Norms for Employability Work skills (EWS) in Telangana

3.1 Ministry has approved Action Plan under DDU-GKY for Telangana for skilling 37311 youth in the FY 2016-19 through its nodal agency Employment Generation and Marketing Mission (EGMM) at an approved cost of Rs.317.33 crore. Now, Telangana has requested to be allowed exemption in the minimum number of hours for a DDU-GKY course (which is 576 hours at present) for undertaking an Employability Work skills (EWS) course compliant with the minimum number of hours (i.e. 200 hours) for a course in Common Norms for skill Development notified by MSDE.

3.2 The main objective of the EWS course proposed by Telangana is to provide sustainable and decent jobs to rural poor youth by enhancing their employability skills including soft skills. Salient features of the course are:

- Establishment of “Permanent Recruitment centers” in all districts of Telangana and a “Finishing school” at Hyderabad.
- 25 Employer companies with jobs have been identified by Telangana currently and these companies would be involved in EWS courses
- EGMM will mobilize youth at District level Permanent Recruitment Centers and screen the youth as per the requirements provided by the Employer companies.
• The shortlisted youth will be interviewed by the Employer companies through Skype/VC between Permanent Recruitment Centers and Employer companies at EGMM Finishing School. The time for Skype/VC would be specified by EGMM.
• In case a youth is selected, he will be required to attend EWS course for 200 hours in EGMM Finishing School at Hyderabad, involving training on job requirement by Employer Companies on simulated work environment set up by these companies.
• EGMM will get the youth certified at the end of the finishing school training by a third party certifying agencies.
• After completion of EWS, trained youth would be placed with Employer Companies.
• EGMM will facilitate the nearest hostel to the workplace for the youth through its facilitation center
• The youth will be entitled for Post Placement support in terms of DDU-GKY Guidelines for 3 months at the rate of Rs.1000 per month.
• A placed youth will be tracked regularly through EGMM call center. EGMM will undertake physical visit to check placement once in a week for the first month; fortnightly for second month, and there after monthly once for next 9 months.
• EGMM will organize Alumni meet once a month for placed candidates.

3.3 In order to undertake the EWS courses, EGMM has indicated the following costs:
(i) For Every Candidate being placed

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost per candidate (in Rs)</th>
<th>Remarks of MoRD</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. One time transport cost for youth to reach finishing school @ Hyderabad</td>
<td>500</td>
<td>Allowed. As per DDU-GKY norms</td>
</tr>
<tr>
<td>ii. Food and Accommodation cost @ Rs.300/- per day per candidate</td>
<td>9000</td>
<td>Allowed. As per DDU-GKY norms</td>
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<td>iii. Uniform cost</td>
<td>1,000</td>
<td>Allowed. As per DDU-GKY norms</td>
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<td>iv. PPS for 3 months</td>
<td>3,000</td>
<td>Allowed. As per DDU-GKY norms</td>
</tr>
<tr>
<td>v. Training Cost @ Rs.28.40 per hour for 200 hours</td>
<td>5,680</td>
<td>Allowed. As per DDU-GKY norms</td>
</tr>
<tr>
<td>vi. Certification Cost per candidate</td>
<td>1,500</td>
<td>Allowed. As per DDU-GKY norms</td>
</tr>
<tr>
<td>vii. Mobile tracking of youth through mobile top-up support</td>
<td>600</td>
<td>Allowed. As per DDU-GKY norms</td>
</tr>
<tr>
<td>Item</td>
<td>Cost per candidate (in Rs)</td>
<td>Remarks of MoRD</td>
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<td>------------------------------------------------</td>
<td>---------------------------</td>
<td>---------------------------------------------------------------------------------</td>
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<tr>
<td>Total</td>
<td>21,280</td>
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(ii) Cost for making infrastructures DDU-GKY compliant center

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (in Rs)</th>
<th>Remarks of MoRD</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Recruitment centre</td>
<td>Rs.7.6 lakh per district</td>
<td>The State may be allowed to meet this from its support costs, including for Capacity Building, sanctioned as part of Action Plan</td>
</tr>
<tr>
<td>Finishing School at State level with 25 class rooms</td>
<td>Rs. 115.00 lakh</td>
<td>Same as above</td>
</tr>
</tbody>
</table>

3.4 Telengana has proposed that it would undertake skilling of 31000 candidates in the approved Action Plan period of 2016-19. The proposed target would be in addition to the target of skilling 37311 candidates approved by EC. However, the entire budget for the proposed special project will be met within the approved budget of Rs.317.33 crore for Action Plan 2016-19, as approved by Empowered Committee for NRLM in its meeting in July 2016. The State has not sought any additional allocation. The proposed intervention is an added initiative over and above the existing provisions for Job-melias allowed under DDU-GKY.

3.5 It is stated that the Special Project proposed by EGMM, Telengana is not in accordance with the minimum number of training hours as mandated by DDU-GKY guidelines i.e 576 hours. However, the proposed 200 hours EWS course is compliant with Common Norms notified by Ministry of Skill Development and Entrepreneurship (MSDE) to which DDU-GKY guidelines are aligned. As the proposed intervention seeks to assure placements to rural youth with job specific EWS courses, it is submitted that the same may be considered on a pilot basis initially which could be reviewed and allowed to be continued after one year.

Proposal for consideration:

3.6 In view of the above, and the fact that there is no additional financial outlay involved, it is proposed that approval may be given to Telengana for undertaking EWS courses of 200 hours duration in relaxation of Guidelines provision at section 1.2.2 (i) of DDU-GKY Guidelines in terms of Common Norms for skill development schemes notified by the M/o Skill Development and Entrepreneurship, within the approved budget for Telengana in Action Plan 2016-19.