

## **Special Projects for Placement Linked Skill Development of Rural BPL Youth under Swarnjayanti Gram Swarozgar Yojana (SGSY)**

With a view to ensure inclusion of the rural poor in the growth process, the Ministry of Rural Development, Government of India had formulated several schemes specifically targeted at rural BPL. Among these, the Swarnjayanti Gram Swarozgar Yojana (SGSY), launched on 1st April 1999, aims to bring the assisted families (Swarozgaris) above the poverty line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHG's) through the process of social mobilization, training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self confidence through community action. This process would ultimately lead to the strengthening and socio economic empowerment of the rural poor as well as their collective bargaining power.

Following the recommendations of an Inter-Ministerial Group (IMG) constituted to address the issue of capacity building and training, the *Special Projects for Skill Development of Rural Youths under Swarnjayanti Gram Swarozgar Yojana (SGSY)* was designed to equip the unemployed rural youths from the BPL Households with marketable skills, which would enable them to either secure placement in the industry or pursue sustainable self employment opportunities through micro enterprise.

These programmes were aimed at delivery of training, largely through the government machinery, supported by some civil society participants. Under special project component of SGSY, placement linked skill development programme was taken up on pilot basis through public private partnership (PPP). In view of success of the pilot projects, efforts have been made to up scale the skill development programme as it was felt that regular wage employment to at least one member of rural BPL family will enable it to come out of poverty. In this perspective, MORD has made concerted efforts in bringing about paradigm shifts in the delivery mechanism and in involving industry stakeholders, besides strengthening the process through output linked support. MORD has so far assisted several PPP or private sector led initiatives emanating from industry, civil society organizations etc.

### **II. Objective of Special Projects:**

The objective of each Special Projects for Skill Development would be to ensure a time-bound training and capacity building programme for bringing a specific number of Below Poverty Line (BPL) families above the poverty line through placement ensuring regular wage employment. Salient Features of this programme follow:

#### **1. Strategy & Approach**

- **Placement Linked:** Assured placement for at least 75 % of the trainees. This is a demand driven programme and one of the main pre-requisite of the program is the commitment of the PIA/industry to employ the trained persons.

- **Physical infrastructure:** No new infrastructure creation is supported by MoRD under the Program. Leverage and utilization of existing infrastructure and facilities for operation of training centers is the fundamental principle. This enables appropriate use of underutilized infrastructure and helps immediate start of the training programme in decentralized locations
- **Machinery and Equipment:** The PIA has to arrange for requisite machinery and equipments on its own or from the perspective employers to the extent possible on lease/rent or as contribution /participation of employer/PIA.

## 2. Training

- **Training Content:** The PIA has to ensure innovative content development with inputs from the industry to ensure employability as per current industry practices. Course/curriculum should preferably be designed jointly with prospective employers/industry. Training and course content into local languages has to be ensured to enable better absorption by BPL youth who may not have exposure to English.
- **Skill sets:** The objective of the program is to impart skills necessary for regular employment, so that the initial wages are not less than the prescribed minimum wages. In addition to technical skills, Soft Skills are also to be imparted to beneficiaries to face transition challenges of moving from an agrarian backdrop to the industry environment.
- **Training Partners:** Partnership with training agencies and employers which have aptitude and capability to conduct training and placement of rural BPL youth after certification acceptable to the industry is solicited.
- **Course Duration:** Preferably short duration of upto three months so that the opportunity cost of being away from productive work opportunities during training period are minimized.
- **Certification and Assessment of trainees:** Independent certification and assessment by third party agencies acceptable to the industry or employers is mandatory to ensure high quality standards and employment.
- **Trainee accommodation:** Wherever necessary, boarding & lodging facilities are to be provided to the trainees by the PIA so that BPL youth in remote locations can be covered. In other cases, trainees are to be provided with to and fro transport and food.

- **Mobilization and Selection of Trainees:** All the trainees in the age group of 18-35 years with requisite aptitude depending upon the trade or job requirements are to be selected from rural BPL families, as per the list maintained by the District Rural Development Agencies (DRDAs) / State Government. The Project Implementing Agency (PIA) will take appropriate awareness and publicity campaign in local electronic/print media and organize meetings especially in SC, ST and minority pockets in rural areas for selection of beneficiaries. Priority should be accorded to SC/ST certificate holders, minorities and women headed rural BPL household duly verified by the Panchayat / Block/ Tehsil functionary as BPL may be treated as sufficient for candidate selection by PIA/DRDA. The Implementing Agency will ensure that out of the total beneficiaries covered, a minimum of 50% will be from SC/ST. Women and minority categories has to be accorded a priority in selection of candidates depending on demographic profile and trade requirements.
- **Preliminary Screening of Candidates:** The trainees mobilized have to be put through an assessment process or other basic screening tests to assess the need and aptitude that are fundamental to the trades in which training is to be imparted and also to reduce mid course/post training dropout of candidates before placements.

### 3. Funding

- MoRD provides funding support up to 75% of the training cost, with a maximum total project cost of Rs.15 crore per project. Balance is to be mobilized by the Implementing agencies through contributions from State Government, industry and other sources.
- In Special Projects where 25% contribution towards project cost is borne by the implementing agency, employer, industry or sources other than the government, utilization certificate is to be furnished for the project would only be in respect of the government grant.
- In such projects, audit reports should reflect the entire Government Grant (central and state share and interest thereon) and cash contribution if any from other sources.
- In the case of contribution in kind by the Implementing Agency, the Auditor will provide a separate certificate indicating the valuation of cost components borne by the IA. The Audited Accounts, however, need not reflect this as part of receipts.

- The project cost breakup comprising of required parameters shall be submitted with the proposal. Cost break up given by the IA will become part of project performance requirements. It has to be certified by the Auditors of IAs as having been implemented as indicated in the proposal.
- Utilization for claiming 2<sup>nd</sup> and 3<sup>rd</sup> installments will be seen with reference to the total expenditure in cash or kind. The contribution of the IA shall have to be proportionate to the central/state share as per approved estimates.

#### 4. Cost Norms

The cost norms for various components of the programme are as under:

SI No.	Components	Maximum Cost- (Rs. per beneficiary)
1.	Training Cost, mobilization of beneficiaries, Curriculum, Training of Trainers, Utilities, Infrastructure, Equipments, Teaching aids, raw materials, etc.	Irrespective of sectors or coverage, up to Rs 12100* per head or cost worked out in the project report whichever is less.
2.	Boarding & Lodging or food and to and fro transport of trainees	
3.	Assessment & Certification	
4.	Placement Linkage	
5.	MIS & Tracking/monitoring	
6.	Institutional overheads (Admn. Costs) maximum up to 10 % of the total project cost.	
7.	Assistance during post placement settlement support for trainees.	@ Rs.1000 per month subject to maximum of Rs. 2000/- payable to candidates during placement after training.
8.	Total	Up to Rs 12100 + 2000 (Rs.14100)* or cost estimates in the project report whichever is less. The cost will be exclusive of monitoring charges of agencies like NIRD, NABARD etc.

\*This will be maximum MoRD funding in each project and treated as 75% of the project cost and remaining 25% has to be contributed by the State Govt./PIA/other agencies as the case may be.

#### 5. Appraisal of Projects

All projects of various organizations or PIAs are to be first appraised by the state government/national level coordinating agencies such as NIRD, NABARD etc. (or any other agency approved by the Department) as the case may be and routed through these agencies. In case of state specific projects, PAC can get the projects appraised by independent agency as well. State government /Monitoring Agency will certify the credentials of IA after examining their financial position, experience in implementing such projects, infrastructure facilities and other indicators before consideration of the proposal by PAC. The Project Screening and Project Approval Committee will consider

the projects received from state government and other agencies only after receipt of appraisal report and credential verification of PIA.

**6. Release of Funds**

- On approval of the projects, funds are released to coordinating, Monitoring and fund routing Agencies in 3 installments i.e. 25:50:25.
- The funds are routed through the states Government/Funds routing, Monitoring & coordination agencies to the PIA's.

**7. Criteria for formulation of Special Projects:**

The Special Project to be submitted to the Ministry of Rural Development should have the following criteria:

**(i) Identification of project area**

The Special Projects should be formulated/ posed particularly with focus on districts having high incidence of poverty. Ordinarily one district specific project shall be approved for one district at a time and, in exceptional cases, Project Approval Committee (PAC) may approve a second project for the district. However, under no circumstances there shall be more than two on going projects in a district. With a view to implement the programme on large scale multi state projects operating in poverty concentrated areas covering large number of districts will be encouraged.

**(ii) Size of the Project Cost**

The maximum investment, inclusive of all components and State share, under each Special Project should not exceed Rs.15.00 crore and the minimum project cost shall not be below Rs. 1.00 crore. Recurring expenditure such as creation of posts or vehicles or maintenance expenditure shall not be admissible in the projects. No cost escalation shall be permitted for the project. Escalations, if any, would be met by the State Government or the PIA as the case may be.

**(iii) Coverage of BPL families**

Attempt should be made to cover 100% of candidates living below poverty line (BPL) from rural areas under the Project. The number of rural BPL candidates to be covered should be specifically indicated in the Project Proposal along with proposed trades, districts, course duration etc. Further year wise targets may also be furnished in the proposal.

**(iv) Formats for Project report:**

The Ministry of Rural Development has outlined certain important points for formulation of Projects under the Special Project component of the SGSY that

may be seen at Annexure I. The Special Projects may be formulated based on these points.

**(v) Implementing Agency**

The State Government, Panchayati Raj Institutions or Semi Government Organizations at the State and National Level or Overseas Organizations at international level may pose projects under SGSY. Federations of SHGs of Swarozgaris assisted under SGSY may also pose suitable projects to the Ministry provided that the Federation is registered either under the Companies Act, The Society Registration Act, the Trust Act etc. SHGs who have been federated into, should have passed requisite gradation test from the appropriate authority and should have taken up some economic activities. The State or Central Government agencies may pose projects in partnership with Credible Non Government Organizations (NGOs), who have successfully demonstrated and implemented community based pro-poor initiatives. The multi state projects submitted directly to the Department by the implementing agencies will be referred by the Department for appraisal to any of the central fund routing /monitoring/ coordinating agencies to sponsor the project and act as fund routing agency.

**III. Approval of Special Projects:**

The Special Project duly approved and recommended by State or Central Level Agencies are to be submitted to the SGSY Division of the Ministry of Rural Development for consideration. To consider these proposals, the Ministry has a two-tier Committee system.

**a) Project Screening Committee**

The Projects submitted would be examined and considered by the Project Screening Committee (PSC) before they are submitted to the Project Approval Committee with its recommendation. The composition of the Project Screening Committee would be as under:

Joint Secretary (SGSY), D/o Rural Development	Chairman
Director/Dy.Adviser (RD), Planning Commission	Member
Director/Deputy Secretary (IFD), D/o Rural Development	Member
Special Invitee/Expert	Member
Director/Deputy Secretary/Joint Director dealing	Member-Convenor

With the subject

The Committee would refer the screened project to be placed before the Project Approval Committee (PAC) for final approval after which the project will be sanctioned.

**b) Project Approval Committee**

The composition of the Project Approval Committee (PAC) would be as under:

Secretary, M/o Rural Development	Chairman
Adviser (RD), Planning Commission	Member
AS&FA, M/o Rural Development	Member
DG – CAPART	Member
Special Invitee (Expert)	Member
Joint Secretary (SGSY)	Member-Convener

IV. The Project Screening and Project Approval Committee will consider projects as per guidelines which inter-alia prescribe the following conditions:

- i) No stipend will be paid to the beneficiaries during the training period out of MoRD funds.
- ii) The implementing agency will furnish a certificate to the effect that the beneficiaries trained and /or placed have not been assisted under any other Government programmes for similar skill development/training.
- iii) A Web based monitoring system is to be established and a web site for this project with details regarding beneficiaries, training, income etc will have to be maintained by the PIA and beneficiaries tracked at least for one year.
- iv) No capital assets, equipment or infrastructure would be supported with government funding under the project and only expenses on consumable and apportioned revenue expenses (rental etc.) on training related infrastructure will be permissible.
- v) Implementing Agency will furnish an affidavit to the effect that the infrastructure or cost components included in the project proposal has not been funded or are proposed to be funded under any other government programmes/schemes before release of funds by the coordinating agency to IA.
- vi) The BPL beneficiaries, who have completed 100 days (or maximum permissible days of work) under NREGA, should be given preference in selection of beneficiaries under the project.

**V. Role of the State Rural Development Department:**

State specific Special Project Proposals would have to be routed through the Rural Development/Panchayati Raj Department, which is in charge of implementation of the SGSY in the State. The responsibility of the Rural Development Department of the respective States would be to expedite formulation of appropriate project proposals, pre-appraisal and to indicate State's share, monitoring framework and coordination with line

departments in the State/Centre that would ensure convergence of activities and their focus on BPL families. In case multi state projects, state government has to act as facilitator and provide requisite support in terms of infrastructure, resources, selection of beneficiaries etc to the extent possible and monitor the implementation and outcomes.

#### **VI. Project Period:**

Ordinarily, the projects are to be implemented within three years time. However, in case of process oriented and long gestation projects the period of implementation shall not exceed five years.

#### **VII. Release of Funds:**

##### **Ist Installment:**

The first installment (i.e. 25% of the total Project cost) will be released after the approval of the project by PAC. The funds are routed through the state governments / fund routing /monitoring/ coordinating agencies to the PIA's. The PIA has to enter into bipartite MoU with the fund routing agency in case of multi state projects. A sample format of MoU is attached at **Annexure – III.**

##### **2<sup>nd</sup> Installment**

The 2<sup>nd</sup> installment of 50 % of central share will be released upon the following:

- (a) Utilization of 60% of the 1<sup>st</sup> installment and achievement of corresponding physical target.
- (b) Submission of year-wise utilization certificates for at least 60% of the total available funds.
- (c) Submission of year-wise audit reports of the funds utilized;
- (d) Regular reporting of progress in the prescribed format and against the approved expenditure phasing;
- (e) A certificate from the Implementing/Coordinating Agency that the project is being implemented as per the approved project proposal.

##### **3<sup>rd</sup> Installment**

The 3<sup>rd</sup> and final installment of 25% of central share will be released upon the following:

- (a) Utilization of 90% of the total available funds and achievement of corresponding physical targets.
- (b) Submission of year-wise utilization certificates for at least 90% of the total available funds;
- (c) Submission of year-wise audit reports of the funds utilized;
- (d) Regular reporting of progress in the prescribed format;

- (e) A certificate from the Implementing/Coordinating Agency that the project is being implemented as per the approved project proposal.
- (f) Before release of 3<sup>rd</sup> and final installment, it will be open to MoRD to have verification/evaluation of project progress by third party / independent agency.

**VIII. Utilization of Interest earned on central release (s):**

The interest amount accrued on Government releases, if any, shall be adjusted against the Government share of the Project cost at the time of release of the third and final installment.

**IX. Releasing of Matching Share:**

The State Government is required to release its corresponding matching share within a fortnight after, obtaining the respective installment of the Central share. Where contribution from other sources are arranged in the project cost before claims 2<sup>nd</sup>/3<sup>rd</sup> installment from the Government PIA has to ensure that such contribution proportionate Government releases has been utilized.

**X. Monitoring and review of the Project:**

Monitoring and Review of the Projects sanctioned and implemented will be done in two levels i.e. at State Level and Central Level.

**(a) State Level:**

For monitoring and periodic review of the sanctioned project, a Committee at the State level headed by the Secretary (RD) of the State is to be constituted who shall have the responsibility of reviewing and monitoring the Project/s. In multi state projects, such committees will be constituted at the level of the coordinating, monitoring and fund routing agencies. The Committee shall take up monthly/quarterly review with the concerned line departments and DRDAs. The progress of the Project/s shall also be discussed in the District Level SGSY Committee / State Level SGSY Committee meetings.

**(b) Central Level:**

In the Central Level, the PSC has been entrusted for periodical review and monitoring of the special projects sanctioned under the scheme. However, PSC briefs PAC about the progress of the ongoing projects as and when necessary.

**XI. Monitoring Format**

To keep track of the progress of the projects, the Ministry has devised a monitoring format, and a copy of the same is enclosed at Annexure-II. The implementing authority is required to send quarterly progress reports of the ongoing project/s to the Ministry.

**XII. Audit:**

- (i) The Ministry of Rural Development retains the right to carry out internal audit of funds and financial of the project, if deemed necessary.
- (ii) Financial audit is to be carried out by the Chartered Accountant of PIA or any other authority appointed by the State Government/Coordinating Agency. The audit report together with action taken on the auditor's observations and physical progress under the project shall be furnished at the time of release of 2<sup>nd</sup> / 3<sup>rd</sup> installment of Central funds.

**XIII. Submission of progress reports:**

- (i) The implementing agency/coordinating agency shall submit the progress report of the project by 15<sup>th</sup> of the month succeeding every quarter in the format for monitoring enclosed at Annexure-II. Failure to furnish the progress report would make the implementing/coordinating agency liable to refund of the Central funds released for the Project along with interest.
- (ii) It shall be open to the Ministry of Rural Development to prescribe such conditions, as it deems fit, from time to time to ensure proper execution of the project.

**XIV. Project Completion**

Documentation is an inherent part of the project along with video recording giving the status of beneficiaries before and after the project. It should cover the details of deliverables as indicated in the project and achievements made against these deliverables. The completion report of the project should be made available by the IA/ Coordinating agency to MoRD within three months from the date of project completion along with up-to-date utilization certificate and audit reports of 3<sup>rd</sup> and final installment and funds that remained unspent at the time of release of 3<sup>rd</sup> and final installment. After completion of project, IA has to keep track record of beneficiaries at least for one year and also maintain on the website accessible to all.

Ministry of Rural Development  
SGSY - Special Projects Division

Check list for Preparation of Proposals in Placement based Skill Development Projects

**I. Basic Information**

1. Name of the Organisation , its full postal address, email ids and telephone number
2. Profile of Project proposer - Names of the Head of Organisation and Project Co-ordinator, their background, academic qualifications, experience, previous responsibilities held, duration in present organization and nature of duties handled
3. If the organization is a part or sister concern of a larger entity, please give details
4. Details of specialization of the organization, its primary activities, projects handled and duration of exposure to the subject
5. Is the project being sponsored by any state government or any central government /semi-government organizations?

**II. About the Project**

1. Proposed State(s) , district(s) where the skill development project is to be implemented
2. Project period – 3 years, 5 years - specify
3. Has a preliminary survey of beneficiaries, skill needs & suitability to the local rural population been carried out or assessed? If yes, give details
4. Mode of selection of beneficiaries proposed to be followed - are you aware of the BPL lists which are available with the DRDAs?
5. Trade (s) in which the skills are proposed to be imparted to the rural youth – please list out the areas.
6. Sector(s) where placement is to be secured for the beneficiaries – list of potential companies, institutions and other placement providers. What is

the basis for identification of placement sector – mention any study or report published / referred/carried out

7. Whether involvement of the industry/placement provider has been obtained in designing the project? Whether the training is industry driven, i.e. the placement providers have a financial stake and are participating in the training content of the project. If so, the contribution of the industry may be clearly brought out in the proposal

### **III. Project Deliverables**

1. Number of beneficiaries being targeted for the project and the district-wise break up projected
2. Skill (trade) -wise matching of number of beneficiaries – give approximate picture
3. Duration of training – in case of multiple activities, please indicate sector-wise duration for each batch, batch size etc.
4. Interaction during the training period with the ultimate placement providers – give details of proposed manner
5. Phasing of number of placements over the project period - give numbers
6. Total number of placements that would be achieved by the end of the project period
7. Monitoring mechanism in place to track beneficiaries – whether any website is proposed for the project, and individual beneficiary profile would be maintained

### **IV. Cost of the Project**

1. Please indicate the component-wise expenditure likely to be incurred for the project like beneficiary mobilization, training costs including cost of hiring of centres, training aids, consumables, boarding costs for trainees, training kits, lodging costs for trainees (wherever and if applicable), trainer related costs, food and to and fro transport cost and assessment, certification, placement linkages, MIS, monitoring, tracking, administrative expenditure etc. ( expenditure on setting up of training infrastructure is not admissible from the Ministry's share)

2. Indicate total cost with details of industry contribution and own contribution
3. If the project is being referred or proposed by a State Government, indicate state matching share of 25%.

**V. Summary or any Additional Information that may be relevant to the Project proposal - please elaborate**

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**MAJOR POINTS WHICH MAY BE KEPT IN MIND WHILE  
FORMULATING A SPECIAL PROJECT UNDER SGSY**

1. Name of the Project
2. Conceptual Background of the Project and features which make it special for sanction under Special Project of SGSY and not under normal SGSY. Possibility of replicability of the Project.
3. Project Objective
4. Strategy
5. Project period and action Plan (year-wise) for implementation of the Project.
6. Area of the Project and Area Profile (how the key is activity suitable for the area and the people).
7. Key activities to be taken in the project
8. Beneficiaries' details: in terms of numbers/categories and their linkage with the activities taken in the project.
9. Implementing Agency: DRDA or a body of the SHGs, or if it is a Project which involves more than one DRDA than the name of the DRDA to whom the funds would be released for implementation. If it is a project which involves more than one state, the name of the coordinating, monitoring and fund routing agency at the central level.
10. Role of line departments/NGOs/PRIs
11. Bench Mark Survey for indicators on which the success of the project would be monitored and evaluated
12. Integration with other on-going Rural Development Programmes in the area and arrangements for dove-tailing funds from non-SGSY resources.
13. Technical know-how and domain expertise if any and what arrangements have been made for flow of technical know-how like Memorandum of understanding (MoU) signed etc. and arrangement and tie ups for placements.
14. Training component Existing skill, training institutes identified funds arrangements, duration of training etc. and proposed trades and duration of training.
15. Benefits/Impact of the Project: in terms of increase in income .Year wise income growth identified parameters etc.
16. Risk factors affecting the Project objectives of increase in income etc.
17. Modalities to minimize risks.
18. Criteria for monitoring and evaluation of Project: mention various parameters on which the project is to be monitored and evaluated. How it will be monitored after the completion of the Projects?
19. State's or other sources' commitment to match the share of the project cost.
20. Technical scrutiny and technical feasibility of the Project (Please indicate whether the concerned technical department of the State Government has vetted the Project. If yes, the comments thereof).
21. Economic appraisal of the Project (the Project may be got appraised and results of the appraisal indicated appropriately in the Proposal) i.e. viability of the project.
22. Estimated cost (Please indicate the Central, State and IA/Industry/employer share. The estimated cost should indicate the total cost including all contributions.
23. Whether the Project or part thereof has been submitted to any other agency? If yes, the results thereof. If the project or its part had been rejected the reasons for the same be indicated.

**FORMAT**  
**OVERVIEW OF ONGOING SPECIAL PROJECT(S) FOR SKILL DEVELOPMENT LEADING TO PLACEMENT**

SN	Name of Project	States to be covered	Total cost of Project	No. of beneficiaries to be covered	Fund released by the Central Govt.	Fund released by Coordinating Agency to PIA	Physical status		
							trained	under training	placed
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									

## FORMAT

State – wise details of beneficiary coverage for the month.....

**Project wise Consolidated**

ZONE	States to be covered	Beneficiaries covered		Beneficiaries placed	Remarks
		trained	In class room		
	Jammu & Kashmir				
	Himachal Pradesh				
	Punjab				
	Haryana				
	Uttar Pradesh				
	Uttaranchal				
	Bihar				
	Jharkhand				
	West Bengal				
	Arunachal Pradesh				
	Assam				
	Meghalaya				
	Manipur				
	Nagaland				
	Mizoram				
	Sikkim				
	Tripura				
	Maharashtra				
	Gujarat				
	Rajasthan				
	Goa				
	Daman & Diu				
	Dadra & Nagar haveli				
	Andhra Pradesh				
	Karnataka				
	Tamil Nadu				
	Kerala				
	Chhattisgarh				
	Madhya Pradesh				
	Orissa				

**In the same manner, details may be given for other projects also.**

## FORMAT

**District – wise details of beneficiary coverage for  
the month.....**

**Name of Project.....**

States to be covered	Beneficiaries		Beneficiaries placed	Remarks
	trained	Under training		
<b>Bihar</b>				
<b>(name of district)</b>				
<b>(name of district)</b>				
<b>(name of district)</b>				
Jharkhand				
West Bengal				
Orissa				
Madhya Pradesh				
Chhattisgarh				

**SAMPLE FORMAT**

**Memorandum of Understanding**

**This MoU is entered into at Hyderabad on this \_\_\_\_\_ day of \_\_\_\_\_ 2009 (hereinafter called MoU).**

**Between**

National Institute of Rural Development (NIRD), Rajendranagar, Hyderabad – 500030 regd. No229 of 1965, represented by ..... W/o ..... aged about \_\_\_\_\_ years, Registrar & Director (Admin), NIRD, hereinafter called the First Party, which term and expression shall mean and include, unless repugnant to the context, its successors, assignees, administrators of the **First Part ( The Registrar, NIRD is authorized to sign the MoU’s as per Act.)**

**And**

(.....Name of PIA.....), represented by ----- aged about ----- years (organization name)....., which term and expression shall mean and include, unless repugnant to the context, its successors, assignees, administrators of the Second Part.

(Name of PIA.....) is a (nature of organisation) organization having its Head Office at ....., hereinafter referred to as " ....." (which expression shall unless repugnant to the context or meaning thereof includes its successor and assignees).

All the Parties ‘NIRD’ and “(abbreviated Name of PIA)” are collectively referred to as “**The Parties**”

## Whereas

1. Ministry of Rural Development, Government of India hereinafter referred to as "MoRD" has in terms of its letter No..... dated ..... (Annexure- I) agreed to provide financial assistance under Special Project under Swarnjayanti Gram Swarajgar Yojana (SGSY) by way of Grant-in-aid from Central Government to be release in 3 installment in the ratio of 25:50:25 for implementation of the "(.....name of project.....)" and Placement of ..... rural BPL Youth at a cost of Rs. .... lakh which is funded by the Central Share and PIA's contribution.....( abbreviated Name of PIA) has been designated as Programme Implementation Agency subject to the terms and conditions hereunder:
2. "(Abbreviated Name of PIA) ", as a part of its commitment towards Rural Development has agreed to implement "(..... Name of project....." and Placement of ..... of rural BPL Youth at a cost of Rs. .... lakh which is funded by the Central Share and PIA's contribution....."
3. The project period would be .....years from the date of release of the first instalment of the payment i.e. from \_\_\_\_\_, 200.. to \_\_\_\_\_, 20.....
4. The funds for the implementation of the program shall be transferred through the DG, National Institute of Rural Development, who is authorized hereinafter referred to as "NIRD" or First Part.
5. The project shall be known as "(..... Name of project.....)".
6. Now, therefore NIRD and (ABBREBIATED NAME OF PIA) in order to pursue the common objectives, agreed through "(abbreviated Name of PIA).
  - (i) To make available placement linked livelihoods to ..... youth per year from Below Poverty Line families in the preferable age group of 18-35 years across Chhattisgarh as sanctioned by MoRD or as per subsequent revision by MoRD; and
  - (ii) Equip them with the skills required, to suit to the market requirements and also ensure placements of the candidates to the extent mandated in the sanction order by MoRD as specified in the Agreement.

- (iii) The parties have mutually agreed to pool their resources together for the benefit of the unemployed youth and equip them with skills. The parties mutually agree to terms and conditions records here under.

**ARTICLE – I**

**OBLIGATIONS OF THE PARTIES**

- 1.1** “(abbreviated Name of PIA) , agrees to implement the programme, and shall
- a. Ensure the compliance of all the terms & conditions as stipulated under sanction order by MoRD.
  - b. Ensure at all times to manage, maintain, plan and carry out the operations in accordance with the sound, technical and financial practices and under the supervision of experienced and competent staff in adequate number, and with active participation of beneficiaries. “(abbreviated Name of PIA) shall furnish details of project implementation structure (Personnel & Systems) to be put in place by“(abbreviated Name of PIA) , to MoRD through NIRD within one month of signing of the Agreement.
  - c. Identify the number of beneficiaries to be trained in the State as per norms prescribed for the beneficiary coverage under SGSY Guidelines, from among the BPL list furnished by respective DRDAs / or authorized agencies in this regard or collected by survey or any other source, in a phased manner, or as agreed upon here under.
  - c. Furnish to MoRD / NIRD any and all such information and reports including physical & financial progress reports (quarterly statement of A/c) on the use of the Grant funds as well as on the implementation of the Programme, as per the prescribed time schedule, or as and when sought, as mentioned in MoRD sanction letter dated .....
  - d. Of its own accord, promptly, inform MoRD through NIRD of any and all modifications of the Articles of Association and of other regulations applicable to it, within 30 days from such change of any and all changes in its management and of any and all circumstances that are likely to preclude or seriously jeopardize the accomplishment of the purpose of this Agreement.
  - e. Submit to NIRD physical and financial progress reports on monthly/ quarterly basis and upon completion of the project but not later than 2 months from the close of the accounting year, its status reports, all financial statements and the pertinent utilization certificates of the funds released.

- f. Enable and allow MoRD and / or NIRD or their representatives at any time to inspect any and all books and records pertinent to the grant funds and its utilization as well as any and all audit and accountant's reports of its own department and external auditors and shall furnish to NIRD any and all such information as MoRD may require from time to time. Allow and facilitate inspection of “(abbreviated Name of PIA), **financial** Statements and records and visit of the sites of the programme implementation by representatives of MoRD / NIRD, on request of the latter, at any time, to verify the proper use of financial contribution.
- g. Maintain records in accordance with appropriate and accepted accounting practices reflecting its operation and utilization of grant.
- h. Open and maintain a separate bank account of the project for implementing the Programme.
- i. “(abbreviated Name of PIA) will maintain separate book of accounts for this project for the purpose of auditing.
- j. Get the expenditure incurred from the grant audited by the External or Statutory Auditors of “(abbreviated Name of PIA) in accordance with the appropriate and consistently applied auditing principles in India. Such Auditors will furnish to NIRD at the end of each financial year a certificate to the effect that the accounts have been audited and the grant has been spent on the objects for which it was meant, save as otherwise provided in this agreement. Any unspent balance and accrued interest there from should be carried forward towards the next year's projected budget.
- k. Submit detailed report of the work undertaken and completed under the project to NIRD at monthly/quarterly intervals, along with details of the training programmes, trainees and their placements, as the case may be.
- l. Furnish to NIRD & GOI such other information as NIRD / GOI may require from time to time.
- m. Exhibit and account for the interest earned and accrued and utilize such interest for the project only subject to overall sanctioned project cost, under intimation to the NIRD and MoRD.
- n. Ensure a reasonable sustainable income prevail in the particular region and comply with all statutory requirements.
- o. Provide the beneficiaries with a Certificate, on completion of their training, preferably authenticated jointly by “(abbreviated Name of PIA) , and the concerned apex association / body of the industry/sector or by a third / any other party, etc.

- p. Place training and placement details on the website of the project and in the format mutually agreed upon by the “(abbreviated Name of PIA) and NIRD/MoRD and also devise a mechanism to track at least for one year from the date of placement of the beneficiaries and maintain the relevant data base for a minimum period of two years on its website.
- q. “(abbreviated Name of PIA) , should submit the physical & financial progress report of the project by 15<sup>th</sup> of the month succeeding every quarter in the format enclosed (annexure to GoI sanction order)

**1.2 National Institute of Rural Development** shall be the programme monitoring agency. It agrees to provide the following services:

- a. Forward to MoRD, after due verification and certification, request/proposal for release of funds sought by “(abbreviated Name of PIA) **within** two weeks from receipt of funds requisition letter and / or utilization certificates along with other necessary documents as described in the obligations part of the “(abbreviated Name of PIA) .
- b. Release funds released by MoRD to “(abbreviated Name of PIA) within a period of two weeks from the date of receipt of funds by NIRD, and as per the conditions laid down in MoRD letter dated .....
- c. Design the monitoring and sampling model / procedures / format / template for assessment which will be designed, developed and shared between the parties and will form an integral part of this Agreement.
- d. Submit Quarterly Progress Reports of the Project as per format devised or any such additional information / report required by MoRD.
- e. Verify the financial documents all and certify the details of accomplishing the physical targets submitted by “(abbreviated Name of PIA) , for onward submission to MoRD
- f. Undertake a random assessment of the placement performance based on the completion reports and also to keep a track for at least one year of the beneficiaries provided placement.
- g. NIRD will constitute a Project Monitoring Committee. The composition of the committee will consist of
  - i. Director General – Chairman
  - ii. Deputy Director General – Member
  - iii. Financial Advisor - Member
  - iv. Professor & Project Director, RTP - Member secretary

v. Professor & Head (CSERE) - Member

vi. Professor & Head (CWEPA) - Member

vii. Representative of “(abbreviated Name of PIA) - Members

h. The Project Monitoring Committee will review the progress of the project periodically (Quarterly/Half-yearly) and if the committee observes the performance/programme is not satisfactory, based on the status report submitted by the PD after field inspection, it may at once seek refund of unspent balance of the grant and interest earned in the Account from (ABBREBIATED NAME OF PIA).

## **ARTICLE - II**

### **DETAILS OF THE PROGRAMME**

**2.1** The programme envisages implementation of Skill Development / Vocational Training Programme for ..... rural BPL youth in the identified districts of the state over a period of ..... years.

“(Abbreviated Name of PIA) will be responsible for identification of potential activities, the beneficiaries, the facilitators / trainers who will be imparting training and monitoring the programme, etc. “(abbreviated Name of PIA) will conduct the training programmes as specified in the proposal in various courses developed by them.

#### **2.2 Key Activities of the “(abbreviated Name of PIA)**

- Market Assessment study
- Curriculum and training
- Identification of trainers and faculty
- Training of trainers
- Establishment of Centres
- Identification of potential beneficiaries, youth for training
- Aptitude assessment
- Intensive training
- Personality and skill development
- On the job training / apprenticeship
- Placement
- New batches of training every 3-4 months
- Establishing and empowering the placement cell / alumni associations
- Facilitate the sustainability model

#### **2.3 FINANCIAL OUTLAY**

The total amount for implementing the **project under SGSY is Rs. .... lakhs which** is funded by the Central Share i.e. the Ministry of Rural Development, GOI and ..... Fund will be released in 3 installments in the ratio of 25:50:25 respectively.

The cost structure includes the following inputs:

- a. Market analysis and need identification studies for delivering appropriate training and placement assistance.
- b. Workforce market identification studies, road shows for identification and selection of eligible beneficiaries for appropriate skill development.
- c. Capacity building training programmes for faculty/ programme staff/ industry mentors, etc
- d. Delivering trainee learning plan for 16, 400 rural BPL youth beneficiaries.
- e. Monitoring industry institute interface - Placement Cell and tracking of beneficiaries.
- f. Administrative and operational expenses of the training programme during the project period.
- g. Establishing an MIS to facilitate exchange of information among all the parties and maintaining the website of the project.

“(abbreviated Name of PIA) will open a separate bank account for the funds released under the project and any interest accrued on the amount deposited in bank for this project will be used for project works only subject to the total sanctioned cost not been exceeded. No cost escalation will be permitted for the project. **Any escalation in cost would be borne by the** “(abbreviated Name of PIA) . The project implementation period is for three years from the date of sanction of the project i.e. ....

## **2.4 PROGRAMME MONITORING**

The NIRD will coordinate & monitor the implementation of the project on a periodic basis as whenever its guidance is felt required, for the proper implementation of programme. The parties will hold regular quarterly monitoring & review meetings, to ensure smooth implementation of the programme.

The “(abbreviated Name of PIA) is to update all the information regarding the project on a website and furnishes the information through online on training and placement of trainees etc.

## 2.5 CHANGES IN PROGRAMME DESIGN

Any changes in the Programme design shall require MoRD consent. “(Abbreviated Name of PIA) shall inform MoRD and NIRD thereof the need for such changes immediately, stating the reasons, the planned measures and the consequences of the change. Execution of such measures may commence only on the basis of revised planning, and upon MoRD’s consent.

“(abbreviated Name of PIA) shall furnish to MoRD through NIRD the implementation schedule for the entire project deliverables. The plan of action and the time lines therein, would form an integral part of this agreement.

## ARTICLE - III DISBURSEMENT /SHARE PROCEDURES

**3.1** The Payment of the grant amount will be released in the name of `.....` as per the following schedule:

**First Installment** – 25% of central share of project cost will be released on submission of detailed plan of expenditure statement by “(abbreviated Name of PIA) .

**Second Installment** – 50% of the Central share on:

- i. Utilization of 60% of the first installment and achievement of corresponding physical targets as per Annexure I of MoRD sanction.
- ii. Submission of year-wise utilization certificate and other requisite documents prescribed in the sanction order of MoRD and or in this MoU.
- iii. Submission of year-wise audit reports of the funds utilized. Achievement of corresponding physical target, as per Annexure-I to the MoRD sanction.
- iv. Regular reporting of the progress in the prescribed format and against the approved expenditure phasing ;On fulfillment of the conditions laid down in Paras 3 & 10 to 15 of MoRD sanction dated .....
- v. A certificate from the Implementing/Coordinating agency that the project is being implemented as per the approved project proposal.

**Third and final installment** of 25% of the funds would be released subject to the following conditions:

1. Utilization of 90% of the available fund and achievement of corresponding physical targets.
2. Submission of year wise utilization certificates for the corresponding amount as mentioned in para 1 above..
3. Submission of year wise audit reports of the funds utilized.
4. Regular reporting of the progress in prescribed format

5. A certificate from the Implementing/Coordinating Agency that the project is being implemented

as per the approved project proposal.

**3.1(a) The release of 2<sup>nd</sup> and 3<sup>rd</sup> installment shall be subject to the PIA's share, if any, being credited to the project account.**

**3.2** NIRD shall disburse the grant to “(abbreviated Name of PIA) to a **separate bank account to be** maintained for the project purpose and any interest accrued on the amount deposited in the bank will be used for project works only.

**3.3** NIRD reserves its right to suspend/ stop disbursements in case of:

**a.** Breach by “(abbreviated Name of PIA) in complying with the terms and conditions of this agreement including the non utilization of amount for the purpose for which it has been granted and / or diverting the amount for any other purpose or project other than the project requirement with compliance to article-II clause-2.3.

**b.** Extraordinary circumstances arising which in the opinion of the MoRD or NIRD are likely to preclude or seriously jeopardize the implementation, the operation, or the purpose and the decisions taken by NIRD is final.

**3.4** If any of the situations specified in Articles 3.3 (a) or (b) has occurred and has not been rectified / remedied to the satisfaction of NIRD within the period prescribed by NIRD, which shall, however, be at least 30 days, NIRD may,

**a.** In the case specified in Articles 3.3 (a) demand the immediate repayment of all disbursed amount to the extent of non fulfillment/achievement in complying with terms and conditions of this MoU which may depend on facts and circumstances as the case may be;

**b.** In the case specified in Article 3.3 (b) demand the immediate repayment of such amounts as “(abbreviated Name of PIA) is unable to prove to have been used for the stipulated purpose.

**C.** In the event “(abbreviated Name of PIA) does not fulfill the targets for training and placement after receipt of funds from NIRD, “(abbreviated Name of PIA) shall refund the grant-in-aid received from NIRD along with interest at the prescribed rate proportionate to the extent targets have not been fulfilled. The first part shall recover the same as per law.

**d.** NIRD shall remit all such amount so recovered to MoRD within 30 days of the receipt of the fund.

#### **ARTICLE – IV**

## PROGRAMME IMPLEMENTATION

**4.1** “(abbreviated Name of PIA) shall be the Programme implementing Agency. The implementation of the special programme shall be done by (ABBREBIATED NAME OF PIA) as per the agreed terms and conditions:

i. “(abbreviated Name of PIA) shall place at least 75% of the beneficiaries trained by them.

**4.2** The time table, cost and financing schedule required for the proper technical and implementation of the programme shall be prepared by “(abbreviated Name of PIA) and submit to MoRD through NIRD. Such schedule is to show, the deadlines and amounts, the intended chronological interrelation of the individual programme measures and the resulting financial requirements.

**4.3** If any modifications are found necessary, MoRD shall be consulted, upon whose approval those measures are implemented.

**4.4** There would be a Project Steering Committee (PSC) for reviewing the progress made and to strengthen the programme. The composition of the committee would be as under:

- |  |        |   |          |
|--|--------|---|----------|
| a. Joint Secretary,                      | - MORD | - | Chairman |
| b. DDG,<br>Secretary                     | - NIRD | - | Member – |
| c. – (ABBREBIATED NAME OF PIA)<br>Member |        | - |          |
| d. Project Director, RTP                 |        | - | Member   |
| e. Director, SGSY – SP, MORD             |        | - | Member   |

**4.5** The PSC will meet twice a year or as required by the project to review the progress in implementation. The Member Secretary will forward the minutes of these meeting to the Funding agency (GOI), co-coordinating and Monitoring agency, (NIRD), implementing agency “(abbreviated Name of PIA) and other members of the committee.

**4.6** “(abbreviated Name of PIA) shall in coordination with NIRD document the project progress /implementation using suitable audio, visual, print aids giving the status of the beneficiaries before and after the project. It would maintain record of interventions initiated and the project achievements.

**4.7** “(Abbreviated Name of PIA) shall submit monthly/quarterly reports to NIRD regarding physical and financial progress under the project by the 15th of the next month. NIRD will invariably furnish progress report on quarterly basis to MoRD.

**4.8** “(abbreviated Name of PIA) on utilization of specific funds and achievement of physical target shall send fund requisition letter to the NIRD with the requisite documents for onward submission by NIRD to MoRD after due verification / certification.

- a. Financial year wise fund utilization certificates in the format prescribed under GFR 19-A.
- b. Financial year wise audit report consisting of balance sheet, income – expenditure statement and payment & Receipt statement
- c. Physical performance report in the format prescribed herein
- d. Any other formats that may be prescribed under sanction order issued by MoRD or in the MoU

#### **ARTICLE - V**

#### **EFFECT OF INVALID CLAUSES AND AMENDMENTS**

**5.1** If any of the provision of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting there from shall be filled by a provision consistent with the purpose of this Agreement and settled by mutual consultation.

**5.2** Any of the provisions of this agreement may be amended or modified at any time by mutual consent through exchange of letters, and all such amendments shall be part and parcel of this agreement

**5.3** The legal relations established by this Agreement between NIRD and “(abbreviated Name of PIA) shall terminate with the end of the completion .....date of the project as declared by the NIRD/MoRD.

#### **ARTICLE -VI**

#### **REMOVAL OF DIFFICULTIES**

Any matter not covered specifically in this memorandum of understanding may be settled by mutual discussions and agreement in writing thereupon.

**ARTICLE- VII**  
**DISPUTE RESOLUTION**

- a. In case of any disagreement or dispute between the parties attempt shall be made to resolve the dispute through consultations between the parties at Hyderabad..
- b. The decision regarding breach of any clause under this agreement by the Second Party shall be discussed and arrived at after mutual consent and in case any breach has been committed by the Second Party of any of the terms and conditions of this Agreement/ sanction letter/ guidelines, such decisions taken by the First Party shall be conclusive, final and binding on the Second Party and they shall not question the same in any court, tribunal, etc.
- c. Any disputes arising of this agreement which cannot be amicably settled shall be referred to Arbitration in accordance with the provisions of the Indian Arbitration & Coilation Act 1996.
- d. Any notice required to be given under this agreement shall be served on the party at their respective addresses given below by hand delivery or by registered post.

**1 National Institute of Rural Development  
Rajendra Nagar, Hyderabad – 500030**

**2 “( Name and address of PIA)**

In witness where off the parties hereto have caused this agreement and a triplicate thereof on their respective behalf by their duly authorized officials on the date and place herein above mentioned

**Signed, sealed and delivered within NIRD**

By the hands of it’s duly authorized representative.

In the presence of the following witnesses:

1

2

**Signed, sealed and delivered within “(abbreviated Name of PIA)**

By the hands of it’s duly authorized representative.

In the presence of

1.

2.

