



March 15, 2023

Mr. Rajat Kumar Mishra
Additional Secretary (MBC)
Department of Economic Affairs
Ministry of Finance
Government of India
North Block
New Delhi - 110001

Dear Mr. Mishra:

***India: Skill India Mission Operation
(Loan No. 8769- IN)
Amendment to the Loan Agreement***

We refer to the Loan Agreement dated December 13, 2017, between India (“Borrower”) and International Bank for Reconstruction and Development (“Bank”) (“Loan Agreement”) and to the Department of Economic Affairs’ letter dated March 1, 2023, requesting the Bank to consider the restructuring of the Skill India Mission Operation (“Operation”).

We are pleased to inform you that the Bank concurs with the request and accordingly amends the Loan Agreement in respect of the provisions as follows:

I. Amendments to the Loan Agreement

1. Section I. A (a) of Schedule 2 is amended to read as follows:

“(a) vest the overall responsibility for the implementation of the Operation’s activities in the MSDE, who will carry out the activities with the assistance of IIE, NIESBUD, NIMI, NSDC, NSDA, NSDF, and the SSDMs.”

2. Section V. C. 2 of Scheduled 2 is amended to read as follows:

“2. The Closing Date is March 31, 2024.”

3. Schedule 3 is deleted in its entirety and is replaced with a new schedule as set forth in *Attachment 1* hereto.

4. The following definitions are added in the Appendix to read as follows:

“IIE” means the Borrower’s Indian Institute of Entrepreneurship, established within the Ministry of Skill Development and Entrepreneurship.

“NIESBUD” means the Borrower’s National Institute for Entrepreneurship and Small Business Development, established within the Ministry of Skills Development and Entrepreneurship.

“NIMI” means the Borrower’s National Instructional Media Institute, established within the Ministry of Skills Development and Entrepreneurship.”

1. The remaining definitions in the Appendix are renumbered accordingly with the insertions above.

II. Revised Performance Monitoring Indicators

The performance monitoring indicators attached to the Supplemental Letter No. 2 are deleted in their entirety and are replaced with the new set of indicators as set forth in *Attachment 2* hereto.

Except as specifically amended in this letter, all other terms and conditions of the Loan Agreement shall remain in full force and effect.

The Bank shall disclose this letter and related information in accordance with the World Bank’s Policy on Access to Information. By agreeing to this letter, the Borrower consents to the disclosure of this letter and related information.

Please confirm your agreement to the foregoing by signing the form of confirmation set forth below, returning one fully executed original of this letter to us, and retaining one original for your records. This letter shall become effective as of the date of the countersignature, upon receipt by the Bank of the duly countersigned original of this letter.

Yours sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Auguste Tano Kouame

Auguste Tano Kouame
Country Director, India

AGREED:

INDIA

By:  _____
Authorized Representative

Name: Rajat Kumar Mishra

Title: Additional Secretary, DEA

Date: _____

cc:

Mr. Rajesh Khullar, Executive Director, World Bank

Mr. Rajeev Topno, Senior Advisor to Executive Director, World Bank

Mr. K. Manickaraj, Joint Secretary, DEA, Ministry of Finance

Mr. Rajesh Kumar, Deputy Secretary, DEA, Ministry of Finance

Mr. Ashok Kumar, Controller, Aid Accounts and Audit Division, DEA, Ministry of Finance

Mr. Sandesh Tilekar, Director, Ministry of Skill Development & Entrepreneurship (MSDE), GoI

Mr. Lendup Sherpa, Under Secretary, Ministry of Skill Development & Entrepreneurship (MSDE), GoI

**Revised SCHEDULE 3 to the Loan Agreement
Disbursement Linked Indicators, Disbursement Linked Results, and Allocated Amounts
Applicable to the Program**

Disbursement-Linked Indicators ¹	DISBURSEMENT-LINKED RESULTS (DLR)						Targets to be Achieved in FY23, April 2023–March 2024 (Year 7)
	Targets to be Achieved in FY18, April 2017–March 2018 (Year 1)	Targets to be Achieved in FY19, April 2018–March 2019 (Year 2)	Targets to be Achieved in FY20, April 2019–March 2020 (Year 3)	Targets to be Achieved in FY21, April 2020–March 2021 (Year 4)	Targets to be Achieved in FY22, April 2021–March 2022 (Year 5)	Targets to be Achieved in FY23, April 2022–March 2023 (Year 6)	
DLI 1: Trainees have successfully completed the market-relevant short-term SD programs and were certified	At least additional 1.2 million	At least additional 1.2 million	At least additional 600,000		No Targets. Dropped due to COVID-19	At least an additional 600,000 individuals certified	At least an additional 600,000, individuals certified
Allocated Amount: US\$29,250,000	US\$406,250 per 100,000 individuals certified	US\$406,250 per 100,000 individuals certified	US\$406,250 per 100,000 individuals certified			US\$1,339,144 per 100,000 individuals certified	US\$1,339,144 per 100,000 individuals certified. up to the total allocation to the DLI

¹ None of the DLRs presented in this Annex are time-bound. The Fiscal Years in which they are expected to be achieved are strictly for indicative purposes as they can be met at any time up to the Closing Date.

DLI 2: Percentage of graduates who are wage employed or self-employed within six months of completion of short-term SD programs	No DLR	At least 30% of graduates ² placed/self-employed within six months of completion of SD program training.					No Targets
Allocated Amount US\$15,000,000		US\$1,153,846 for each percentage point increase over the baseline up to a maximum of 40% placement/self-employment					NA
DLI 3: NSQF aligned QPs translated into teaching learning materials	Teaching-learning materials developed for 102 QPs	Teaching-learning materials developed for at least 20 QPs	Teaching-learning materials developed for at least 20 QPs	Teaching-learning materials developed for at least 20 QPs	Teaching-learning materials developed for at least 20 QPs	Teaching-learning materials developed for up to 20 QPs	No Targets
Allocated Amount: US\$14,000,000	US\$4,000,000	US\$2,000,000	US\$100,000 per new QP for which materials developed up to the total amount allocated to DLI.				NA
DLI 4: Number of trainers and assessors trained/ retrained	ToT and assessors plan for existing and potential trainers approved by MSDE	2,000 trainers and 500 assessors have been trained	5141 trainers and 2550 assessors have been trained.	5141 trainers and 2550 assessors have been trained.	5141 trainers and 2550 assessors have been trained.	5141 trainers and 2550 assessors have been trained.	No Targets

² In this case, these percentages represent the minimum real targets to be achieved based on the actual numbers of trainees successfully trained.

Allocated Amount US\$19,330,000	US\$1,250,000	US\$ 400 per trainer/ assessor trained up to total amount allocated to DLI.			NA
DLI 5: Improved performance of states on institutional strengthening, market relevance of SD programs, and access to and completion of training by marginalized populations		i) The SIG Manual has been developed by MSDE. ii) The baseline for the SIG ⁷ Scorecard has been calculated for at least ten states and endorsed by MSDE.	Participating states have improved their SIG scores by 15% of the performance gap ³ over the previous year	Participating states have improved their SIG scores by 10% of the performance gap ⁴ over the previous year	No Targets
Allocated Amount:		(i) US\$ 6,920,000	US\$6,000,000 for each state that	US\$ 6,000,000 for each state that meets 10% improvement over performance gap over the previous year up to total amount allocated for the DLI.	NA

³ Performance gap is 100-SIG score in previous year.

⁴ Performance gap is 100-SIG score in previous year.

US\$123,920,000		(ii) US\$ 9,000,000	meets 15% improvement over performance gap over the previous year up to total amount allocated for the DLI.				
DLI 6: Increase in percentage of women participating in SD programs		Plan to enhance participation of women across short-term SD program training sectors developed.	Participation of women in SD programs has increased by at least 1 percentage point over the baseline	Tracer study to gauge the employment outcomes of SD programs on women completed.			
Allocated Amount: US\$10,500,000		US\$ 2,500,000	US\$ 2,000,000 for every percentage point increase in participation of women up to US\$ 6,000,000	US\$ 2,000,000			

<p>DLI 7: Improved service delivery at the Gram Panchayat (GP) level by linking skill certified individuals to local employment⁵</p>				<p>At least 200 GPs have created pool of skill certified individuals as per the skill requirement of the Gram Panchayat cumulatively</p>	<p>At least 800 GPs have created pool of skill certified individuals as per the skill requirement of the Gram Panchayat cumulatively</p>	<p>At least 2000 GPs have created pool of skill certified individuals as per the skill requirement of the Gram Panchayat cumulatively</p>	<p>No Targets</p>
<p>Allocated Amount: US\$10,000,000</p>				<p>US\$ 5000 per GP creating pool for creating pool of skill certified individuals up to the maximum allocation of the DLI</p>			
<p>DLI 8: Strengthened capacity of District Skill Committee (DSC) to implement short term skill programs</p>				<p>At least 50 districts covered by an MGN Fellow</p>	<p>At least 250 districts covered by an MGN Fellow, cumulatively.</p>	<p>At least 600 districts covered by an MGN Fellow, cumulatively</p>	<p>No Targets</p>
<p>Allocated Amount: US\$14,875,000</p>				<p>US\$ 24,790 for every district covered by the MGN Fellow, up to the maximum allocation of the DLI.</p>			<p>NA</p>

⁵ Mutually exclusive from numbers under DLI 1 for RPL.

Results Framework
India: Skill India Mission Operation

PDO: To enhance institutional mechanisms for skill development and increase access to quality and market-relevant training for the workforce.

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI#	Unit of Measure	Baseline	Target Values (Cumulative)						
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)
PDO Indicator 1: Trainees who have successfully completed the market-relevant short-term SD programs and were certified (disaggregated by women)	R	1 and 6	Number	2 million trainees successfully completing market-relevant short-term SD programs; current female labor force participation is 31%; participation of SCs	3.39 million trainees successfully completed market-relevant short-term SD programs	4.64 million trainees successfully completed market-relevant short-term SD programs women- 49.9%; SC/ST- 22%; PWD - 0.43%)	5.24 million trainees successfully completing market-relevant short-term SD programs	NA (dropped due to COVID-19 disruptions)	NA (dropped due to COVID-19 disruptions)	Target: 5.84 million trainees successfully completing market-relevant short-term SD programs	Target: 6.44 million trainees successfully completing market-relevant short-term SD programs ⁶ : women- 34%; SCs and STs -

⁶ Including individuals certified through Recognition of Prior Learning programs

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI #	Unit of Measure	Baseline	Target Values (Cumulative)							
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)	
				and STs is 18%; participation of PWD in training programs is negligible								22%; and PWD - 1%
PDO Indicator 2: Percentage of graduates who are wage employed or self-employed within six months of completion of short-term SD programs	C	2	Percentage	27% of graduates are wage employed or self-employed within six months of completion of short-term SD programs	n.a.	Achievement: 40% of graduates placed/ self-employed within six months of completing training from Year 1	<i>NA- Target achieved</i>				No Targets	
PDO Indicator 3: Improved performance of states on institutional strengthening	C	5	Number and percentage	n.a.	n.a.	Achievement: (i) The SIG Manual has been	Achievement: 10 participating states have improved	At least 2 additional participating states have improved their SIG	At least 3 additional participating states	At least 3 additional participating states have	No Targets	

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI #	Unit of Measure	Baseline	Target Values (Cumulative)						
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)
g, market relevance of SD programs, and access to and completion of the train by marginalized populations						developed by MSDE. (ii) The baseline for SIG Scorecard has been calculated for at least 10 states	their SIG scores by 15% of the performance gap ⁷ over the previous year.	scores by 10% of the performance gap over the previous year.	have improved their SIG scores by 10% of the performance gap over the previous year.	improved their SIG scores by 10% of the performance gap over the previous year.	
PDO Indicator 4: NSQF-aligned QPs translated into teaching learning materials.	C	3	Text	38 SSCs have been approved and made operational	102 Teaching learning materials developed for 102 QPs	Achievement: Teaching learning materials developed for at least 21 QPs –	Achievement: Teaching-learning materials developed for at least 20 QPs	Achievement: Teaching-learning materials developed for at least 20 QPs	Teaching-learning materials developed for at least 20 QPs	Teaching-learning materials developed for up to 20 QPs	No Targets

⁷ Performance gap is 100-SIG score in previous year

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI #	Unit of Measure	Baseline	Target Values (Cumulative)						
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)
Intermediate Results Area 1: Institutional Strengthening at the National and State Levels for Planning, Delivering, and Monitoring High-quality Market Relevant Training											
Intermediate Result Indicator 1: A system in place to undertake the M&E of SD programs at the national and state level	C	5	Text	Several MIS blocks in place nationally and at the state level, but the design is fragmented and reliability of data questionable	NA	Achievement: National Skills India Portal (SIP) established	NA	At least 6 State Skills Development Missions (SSDMs) in total have submitted data to the SIP; A tracer study to gauge the employment outcomes of SD programs of women completed.	NA	At least 18 participating states have submitted data to the SIP;	No Targets
Intermediate Results Area 2: Improved Quality and Market Relevance of Skill Development Programs											
Intermediate Result Indicator 2: Number of trainers and assessors	C	4	Number	Insufficient number of skilled trainers and	Achievement: ToT and assessors plan for existing,	Achievement: 8344 trainers and 6092 assessors	Achievement: 5141 trainers and 2550 assessors have been	Achievement: 5141 trainers and 2550 assessors have been	Achievement: 5141 trainers and	5141 trainers and 2550 assessors have been	No Targets

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI #	Unit of Measure	Baseline	Target Values (Cumulative)						
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)
trained/retrained				qualified assessors	and potential trainers created and approved by MSDE		trained/retrained.	trained/retrained.	2550 assessors have been trained/retrained.	trained/retrained.	
Intermediate Results Area 3: Number of pilot projects targeting socially excluded groups to improve access to skills training programs											
Intermediate Result Indicator 3: Number of completed pilot projects by MSDE and states targeting socially excluded groups to improve access to skills training programs	C	--	Number	n.a.	0	NA	NA		25		No Targets

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI #	Unit of Measure	Baseline	Target Values (Cumulative)						
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)
Intermediate Results Area 3: Institutional Strengthening at the District and Sub-District level for Planning, Delivering and Monitoring High Quality Market Relevant Training											
Intermediate Result Indicator 4: Strengthened capacity of District Skill Committee (DSC) to implement short term skill programs	C	8	Number	Capacity constraints in existing District Skill Committees to plan, execute and monitor skilling activities	NA	NA	NA	At least 50 districts covered by a MGN Fellow ⁸	At least 250 districts covered by a MGN Fellow, cumulatively	At least 600 districts covered by a MGN Fellow, cumulatively	No Targets

⁸ Mahatma Gandhi National Fellow

Results Indicators	C=Continue / No Change D=Dropped N= New R=Revised	DLI #	Unit of Measure	Baseline	Target Values (Cumulative)						
					Year 1 (2017–2018)	Year 2 (2018–2019)	Year 3 (2019–2020)	Year 4 (2020–2021)	Year 5 (2021–2022)	Year 6 (2022–2023)	Year 7 (2023–2024)
Intermediate Result Indicator 5: Improved service delivery at the Gram Panchayat (GP) level for linking unemployed youth to local markets	D	7	Number	Gram Panchayats currently do not have any form of institutional mechanism to collate or plan skilling information	NA	NA	NA	At least 200 GPs have created pool of skill certified individuals as per the skill requirement of the Gram Panchayat,	At least 800 GPs have created pool of skill certified individuals as per the skill requirement of the Gram Panchayat, cumulatively	At least 2000 GPs have created pool of skill certified individuals as per the skill requirement of the Gram Panchayat, cumulatively	No Targets