6. Sankalp Scheme- Governance

Recently, the Public Accounts Committee (PAC) criticised the poor implementation of the SANKALP scheme after a CAG report flagged delays and underutilisation.

The recent Comptroller and Auditor General (CAG) report has raised concerns regarding financial management and implementation inefficiencies in the SANKALP Scheme, a World Bank-assisted programme aimed at reforming India's skill development ecosystem.

The findings assume importance in the context of -

1. India's demographic dividend
2. High youth unemployment and skill mismatch
3. Public–private alignment in skilling initiatives
4. Accountability in externally aided projects

Key Issues Highlighted in the CAG Report

Financial Underutilisation

Only 44% of allocated funds were disbursed between 2017–18 and 2023–24.

Indicates -

1. Persistent financial underperformance
2. Inefficiencies in fund absorption
3. Delays in project execution

Underutilisation affects -

1. Quality of training delivery
2. Infrastructure upgradation
3. Capacity-building initiatives

Weak Implementation and Institutional Preparedness

Out of ₹1,606.15 crore disbursed by the World Bank, only ₹850.71 crore (around 86% of funds released to the Ministry) was utilised.

Reflects -

1. Inadequate planning and readiness at the state and district levels
2. Weak monitoring and evaluation systems
3. Poor inter-agency coordination

Suggests limited absorptive capacity within implementing institutions.

Monitoring and Governance Gaps

1. Lack of robust performance indicators to measure outcomes.
2. Inadequate tracking of skill training quality improvements.
3. Limited accountability mechanisms for delays.

These issues undermine the objective of transitioning from a quantity-driven to a quality-driven skilling ecosystem.

About the SANKALP Scheme

Overview

1. Full Form - Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP).
2. Launched on January 19, 2018 (approved in October 2017).

3. Supported by the World Bank as an externally aided project.
4. Total outlay - ₹4,455 crore.
5. Implementation extended from March 2023 to March 2024.
6. Implemented by the Ministry of Skill Development and Entrepreneurship (MSDE).

Core Objectives

1. Improve quality of short-term skill training programmes.
2. Strengthen institutional capacity at national, state, and district levels.
3. Enhance industry linkages to reduce skill mismatch.

Promote inclusion of -

   1. Women
   2. Scheduled Castes and Scheduled Tribes
   3. Persons with Disabilities
   4. Other marginalised communities

Strategic Significance

Aligns with -

1. Skill India Mission
2. National Skill Development Mission
3. Industry 4.0 requirements

Seeks to build a demand-driven, decentralised skill ecosystem.

Structural Challenges in Skill Development

The CAG findings reflect deeper systemic challenges -

1. Fragmentation between multiple skilling agencies.
2. Weak alignment between training curriculum and industry demand.
3. Low placement rates in some sectors.
4. Variability in state-level implementation capacity.
5. Monitoring focused more on expenditure than outcomes.

This highlights the need for outcome-based governance rather than input-based expenditure models.

About the Comptroller and Auditor General (CAG)

Constitutional Status

1. Established under Article 148 of the Constitution of India.
2. Independent constitutional authority safeguarding public finances.

Appointment and Tenure

1. Appointed by the President of India.
2. Tenure - Six years or until age 65, whichever is earlier.

Removal-Can be removed only through a process similar to that of a Supreme Court judge, ensuring independence.

Functions

Audits

1. Union and State government expenditure
2. Government receipts
3. Public sector undertakings

Submits audit reports to

1. Parliament
2. State legislatures

Ensures -

1. Financial propriety
2. Transparency
3. Legislative oversight

The CAG plays a central role in strengthening the financial accountability architecture of India.

About the Public Accounts Committee (PAC)

Historical Background

1. First introduced in 1921 under the Government of India Act, 1919.
2. One of the most important Financial Committees of Parliament.

Composition

22 members -

1. 15 from Lok Sabha
2. 7 from Rajya Sabha

Members elected annually. Chairperson appointed by the Speaker of the Lok Sabha (traditionally from the Opposition).

Role and Nature

Examines -

1. CAG audit reports
2. Appropriation accounts
3. Government expenditure

Ensures -

1. Expenditure is in accordance with Parliament's approval
2. Financial discipline and efficiency

Recommendations are -

1. Advisory in nature
2. Not legally binding

The PAC acts as a critical link between audit findings and executive accountability.

Broader Governance Implications

The SANKALP audit highlights -

1. The gap between budget allocation and effective utilisation.
2. The importance of institutional capacity-building in centrally sponsored and externally aided schemes.

The need for

1. Real-time monitoring systems
2. Performance-based disbursement
3. Stronger Centre–State coordination

In the context of India's demographic dividend, inefficiencies in skill development programmes risk converting a potential advantage into a liability.

Way Forward

1. Shift from expenditure-driven targets to employment-linked outcome indicators.

2. Strengthen digital monitoring platforms for real-time tracking.
3. Enhance state-level administrative capacity through structured training.
4. Introduce third-party evaluation for quality assurance.
5. Improve integration between SANKALP, PMKVY, and industrial corridors.

Effective public expenditure in skill development is not merely a financial matter; it is central to economic growth, social mobility, and India's global competitiveness.

Source - https -//www.thehindu.com/news/national/pac-pulls-up-govt-for-poorly-planned-implementation-of-4455%E2%80%90crore-sankalp-scheme/article70657077.ece