Azadi Ka Amrit Mahotsav

Union Minister Shri Jayant Chaudhary initiates campaign to build 'Skills Outcomes Fund' to unlock aspirational livelihood opportunities for youths across India

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Minister of State (Independent Charge) for Skill Development and Entrepreneurship and Minister of State for Education, Government of India, Shri Jayant Chaudhary today initiated the campaign to build a Skills Outcomes Fund, a first-of-its-kind initiative aimed at unlocking aspirational livelihoods for youth from low-income backgrounds. The fund envisages to mobilise public and private capital to scale outcomes-based financing (OBF) in India's skilling ecosystem, linking investments directly to verified employment outcomes.

The Skills Outcomes Fund aims to unlock aspirational and sustainable livelihoods for youths from low-income backgrounds across India. This initiative is expected to become the largest outcomes-based financing (OBF) initiative for skilling globally and marks a significant step in strengthening the adoption of OBF within India's skilling ecosystem. The initiative builds on India's growing global leadership in outcomes-based financing, a theme highlighted at the Outcomes Finance Alliance Summit 2026 in Cape Town, where Minister Shri Jayant Chaudhary outlined India's approach to aligning public policy, private capital, and measurable employment outcomes.

The proposed Skills Outcomes Fund will be anchored by the National Skill Development Corporation (NSDC) under the aegis of the Ministry of Skill Development and Entrepreneurship (MSDE), in partnership with not-for-profit and philanthropic organizations /stakeholders. It creates a unique opportunity for government and industry to work together in advancing innovative financing approaches and strengthen the skilling ecosystem with a clear and measurable focus on outcomes.

Chairing the funder roundtable hosted by the British Asian Trust, the first in a series as part of the campaign to build 'Skills Outcomes Fund', Minister Shri Jayant Chaudhary said, "India's skilling journey is entering a new phase, one that places outcomes at the centre of our efforts. The Skills Outcomes Fund represents our commitment to ensuring that skills translate into real opportunities, sustained employment, and dignity of work for our youth. By bringing together government, industry, and philanthropic partners around measurable results, we are creating a model that can unlock large-scale impact and expand aspirational livelihood pathways for young people across India."

Senior Economic Adviser, Ministry of Skill Development and Entrepreneurship (MSDE), Ms. Manisha Sensarma added, "As India's skilling ecosystem matures, the policy conversation is naturally shifting from measuring inputs to measuring outcomes. Outcomes-based financing provides a powerful framework to strengthen accountability, improve program efficiency, and ensure that public and private investments are directly linked to employment results. The Skills Outcomes Fund represents an important step toward institutionalizing such approaches within India's broader skilling and human capital strategy."

CEO, National Skill Development Corporation (NSDC), Mr. Arunkumar Pillai said, “The experience of the Skill Impact Bond has shown that when incentives across training providers, employers, investors, and government are aligned around verified outcomes, the entire skilling ecosystem becomes more focused on real employment results. The Skills Outcomes Fund is the natural next step, building on this evidence to scale outcomes-based approaches and strengthen long-term employment pathways for India’s youth.”

The funder roundtable featured in-depth discussions facilitated by the British Asian Trust and The Blended Finance Company on how India can scale outcomes-based financing within the skilling ecosystem and mobilise long-term capital for employment outcomes.Participants highlighted the importance of aligning public policy, private capital, and credible verification systems to ensure that investments translate into sustainable jobs and income opportunities for youth.

The visionary initiative reflects a strategic shift in how skilling programs are designed and financed, moving beyond traditional metrics of success such as enrolment and certification, towards measurable, verified employment outcomes including job placement, retention, and career progression. This approach aligns closely with the Government of India’s vision of building a future-ready, inclusive workforce under Viksit Bharat 2047, as well as withthe draft National Policy for Skill Development and Entrepreneurship, 2026, which identifies outcome orientation as a core principle for strengthening India’s human capital ecosystem.

The proposed Skills Outcomes Fund would build on the success of India’s first outcomes-based initiative, the Skill Impact Bond, launched by the National Skill Development Corporation (NSDC) in 2021 in partnership with a coalition of development and philanthropic partners. With an outlay of approximately ₹130 crore, the Skill Impact Bond has demonstrated strong and consistent results. To date, over 34,000 youth, 74% of them being women, from across 21 states have been trained in 16 sectors for over 30 job roles. Independent verification up to Cohort-6 shows that 92% of trainees have been certified, 76% placed in jobs, and 62% retained in jobs. These outcomes significantly exceed national benchmarks.

Building on this, the Skills Outcomes Fund represents the next phase of OBF in India’s skilling ecosystem, from pilot to scale and eventually its institutionalization. A key feature of the Skills Outcomes Fund is its blended finance model where government funding from MSDE will be supplemented by private sector funding. Additionally, its employer-led, demand-driven skilling model will align with high-growth, aspirational, future-oriented sectors such as IT-ITeS, BFSI, automotive, healthcare, logistics, green jobs, and electronics.

The roundtable brought together a distinguished group of partners from the philanthropic, corporate, and development ecosystem who are actively shaping India’s skilling and livelihoods landscape. Participants included representatives from organisations such as Gas Authority of India Limited (GAIL), Hindustan Urvarak & Rasayan Limited (HURL), the Children’s Investment Fund Foundation (CIFF), the Michael & Susan Dell Foundation, JPMorgan Foundation, the Gates Foundation, EY Foundation, JSW Foundation, Bajaj Finserv, NSE Foundation, the Naveen Jindal Foundation, GMR Varalakshmi Foundation, Hindustan Unilever Limited, Bridges Outcomes Partnerships, and GIZ. Their participation reflects growing cross-sector momentum behind outcomes-based financing as a tool to strengthen employment outcomes and scale innovative skilling models.

As India seeks to realise its demographic dividend, the Skills Outcomes Fund represents not just a new financing mechanism but a systemic shift toward linking investments in skilling with real employment outcomes. By bringing together government, philanthropy, and industry, the initiative aims to create a scalable model that can expand livelihood opportunities for millions of young people while reinforcing India’s leadership in outcomes-based financing for skills and employment.


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ROUNDTABLE


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