

No.MSDE-01/01/2018-AP(PMU)
Government of India
Ministry of Skill Development & Entrepreneurship

New Delhi, dated 3rd October, 2019.

To

- i) All the Regional Directors, Regional Directorate of Skill Development and Entrepreneurship (as per list enclosed)
- ii) All the State Apprenticeship Advisers (as per list enclosed)
- iii) CEOs of All Sector Skill Councils (As per list Enclosed)
- iv) Chief Executive Officer, NSDC

Subject: Guidelines for providing Incentives to `Sector Skill Councils (SSCs)` and `Third Party Aggregators (TPAs)` for promotion and advocacy of Apprenticeship Training under Apprentices Act 1961(amended upto 2014)

Sir/Madam,

This is to inform that MSDE has launched a new pilot project focused on providing incentives to TPAs and Sector Skill Councils (SSCs) to act as a catalyst for promotion and advocacy of apprenticeship training by making special efforts to reach maximum number of establishments including the Micro, Small and Medium enterprises. The SSCs and TPAs would facilitate industries and establishments to engage a large number of youth with special focus on women apprentices. The Pilot project would be implemented by MSDE and the target is to engage 2.8 lakh apprentices in designated/optional trades for the period 1st October 2019 to 31st March 2020.

2. TPAs and SSCs shall be incentivized for promoting and supporting apprenticeship, subjected to following conditions:

- i. Aspirants are engaged as apprentices only by those establishments where annual hiring during past three Financial years is less than 50.
- ii. Such establishments should not be owned, controlled or managed by Central/State Government or a department of the Central/Stat Government & should not fall under the category of Central/State Public Sector Units.

3. Following incentive shall be provided to TPAs and SSCs

- (i) SSCs @INR 500 per contract for 1.4 lakh contracts.
- (ii) Incentive to TPAs for Male apprentices @INR 1000 per facilitation of signing of contracts between apprentices and employers for 1.0 lakh apprentices.
- (iii) Incentive to TPAs for Female apprentices @INR 1250 per facilitation of signing of contracts between apprentices and employers for 0.40 lakh

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- (iv) Subsidizing the examination and certification cost to SSC @ INR300 per candidate for 1.2 lakh apprentices.
4. Incentive shall be available for the increment number over and above the highest number of apprentices engaged by the establishment during last 3 financial years
5. Please find enclosed herewith a copy of the above guideline

Yours faithfully,



(Anita Srivastava)
Joint Director
Apprenticeship(PMU)

Enclosure: As above

Copy for information to:

- i. PS to Secretary, MSDE
- ii. PS to AS(RA), DGT
- iii. PS to JS(KCG), MSDE
- iv. Sr. Economic Adviser, MSDE
- v. DDG (Apprenticeship Training)
- vi. Director, AT, DGT
- vii. Senior Head, Apprenticeship Division, NSDC
- viii. Shri Hitesh Kumar, ADT, IT Cell, DGT, MSDE with the request to RDSDEs and to upload them on the portal

Ministry of Skill Development & Entrepreneurship

GUIDELINES DOCUMENT

Guidelines for providing Incentives to `Sector Skill Councils (SSCs)' and `Third Party Aggregators (TPAs)' for promotion and advocacy of Apprenticeship Training under Apprentices Act 1961(amended upto 2014)

1. BACKGROUND:

The National Apprenticeship Promotion Scheme(NAPS) was launched in 2016 with an aim to promote Apprenticeship training by providing incentives to establishments for engaging apprentices. The Scheme was to make special efforts to reach maximum number of establishments including the micro, small and medium enterprises. It has an indicative outlay of Rs.10000 crore for providing incentives to employers and providing apprenticeship training to 50 lakh youth by FY 2020. The Scheme provides incentives only to industry and for Basic Training Providers.

As the NAPS does not provide incentives to other agencies involved in promotion of Apprenticeship Training, this new Pilot proposal has been mooted to focus on providing incentives to Sector Skill Councils (SSCs) and Third Party Aggregators (TPAs) as they to act as a catalyst for promotion and advocacy of Apprenticeship Training.

2. OUTLINE OF THE PILOT PROJECT

The Scheme is to provide incentives to SSCs and TPAs for promotion and advocacy of Apprenticeship Training as an additional component of National Apprenticeship Promotion Scheme (NAPS) on Pilot Project basis. The SSCs and TPAs will help facilitating expansion and outreach of Apprenticeship Training to enable achievement envisaged NAPS targets. The target to engage 2.8 lakh apprentices has been envisaged for the period 1st October 2019 to 31st March 2020.

The SSCs and TPAs would facilitate industries and establishments to engage a large number of youth with special focus on women apprentices in the Apprenticeship Training in accordance with the regulations of the Apprentices Act, 1961 and amended in 2014 and the guidelines prescribed in the Apprenticeship Rules, 1992.

TPAs and SSCs shall be incentivized for promoting and supporting apprenticeship, subjected to following conditions:

- i. Aspirants are engaged as apprentices only by those establishments where annual hiring during past three Financial years is less than 50.**
- ii. Such establishments should not be owned, controlled or managed by Central/State Government or a department of the Central/State Government & should not fall under the category of Central/State Public Sector Units.**

3. PROJECT PERIOD

The Pilot Project shall be implemented during the current financial year 2019-2020 between 1st October 2019 and 31st March 2020.

4. STAKEHOLDERS

Besides Ministry of Skill Development & Entrepreneurship, the Apprenticeship Training is implemented by Directorate General of Training through Regional Directorate of Skill Development and Entrepreneurship and National Skill Development Corporation (NSDC) through Sector Skill Councils (SSCs) and Third Party Aggregators (TPAs). At State level it is implemented by respective State Government Departments through State Apprenticeship Advisers (SAA) and State Skill Development Mission.

5. PHYSICAL TARGET OF PILOT PROJECT ENVISAGED:

The Pilot Project envisages apprenticeship training to 2.8 lakh youth. The TPAs and SSCs are required to engage 50% each distinct apprentices during the project period.

6. ROLE OF MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP:

At Ministry level, MSDE shall provide all the thrust and push for the impetus of the Government of India in imparting apprenticeship trainings. MSDE shall oversee the progress of the Scheme and provide financial and policy support under the Apprenticeship Training Scheme. In addition, MSDE may at intervals may review implementation of the Pilot Project.

In addition, MSDE will notify the list of selected Third Part Aggregators (TPAs).

7. ROLE OF NATIONAL SKILL DEVELOPMENT CORPORATION:

The role of National Skill Development Corporation for implementing NAPS shall remain the same. However, in addition to the above, the role of NSDC for implementation of Apprenticeship Training shall include the following:

- (i) NSDC shall be the overall implementing agency of the Pilot Project
- (ii) NSDC shall be responsible for coordinating with the SSCs and TPAs.
- (iii) NSDC to submit proposal of TPA to MSDE for grant of 30% advance fund
- (iv) NSDC shall release the funds as per the eligibility criteria to TPAs and SSCs.
- (iv) NSDC on quarterly basis may seek reimbursement of funds from MSDE by sending the reports on physical and financial progress of the pilot project, separately for SSCs and TPAs.

8. THIRD PARTY AGGREGATORS (TPAs)

A. ROLE AND FUNCTIONS OF TPAs

- (i) The TPAs are to act as a bridge between the implementing agencies viz the DGT, RDSDE, NSDC etc. and the industries / establishments on the one hand and between the establishments and the potential candidates on the other.
- (ii) The TPAs would help to establish linkages that are beneficial for Apprenticeship Training in particular and the entire skill development ecosystem in general.
- (iii) Aggregation of apprentices to facilitate the employer to engage the apprentices and to help employer meet their statutory obligations under the Act including filing of returns.
- (iv) To increase women participation in Apprenticeship Training.
- (v) To arrange the basic training under the Apprenticeship Act through Basic Training Providers for fresh apprentices (apprentices who come directly to undertake apprenticeship training without any formal training) in case the establishment is desirous of outsourcing the basic training.
- (vi) To assist the establishments get approval for Basic training Centers (BTCs) in case these are not in the panel of approved BTCs under the DGT/NSDC as the case may be
- (vii) To select not more than 3 establishments for on-the-job/ practical training of apprentices by studying the infrastructure facilities available with individual employers in such a manner that the combined facilities available with the selected establishments meets the requirement of prescribed curriculum of the trade. TPA can organize on-the-job/ practical training for apprentices in these selected establishments in coordination with employers.
- (viii) To assist the establishment in designing courses under the Apprenticeship programme and getting them NSQF aligned (in case establishments opt for NAPS)
- (ix) To help apprentices to register on portal.
- (x) To upload contracts of apprenticeship on the apprenticeship portal on behalf of the establishment for registration by Apprenticeship Adviser. Login and password will be provided to TPA for this purpose.
- (xi) To upload the syllabus with duration of apprentices courses on behalf of the establishment.
- (xii) To furnish all the returns on the portal-site on behalf of the establishment
- (xiii) To submit reimbursement claims on behalf of establishments towards stipend paid to apprentices.
- (xiv) To submit reimbursement claims for basic training cost in case establishment is the basic training provider under NAPS.
- (xv) To ensure compliance of all formalities by the apprentices for appearing in assessment examinations as and when required.

- (xvii) To assist the establishment to conduct assessment and issue certificates (also to help establishments to coordinate with assessment authorities as required under Designated Trades & NAPS)

B. CRITERIA FOR EMPANELMENT AS TPAs

Institutions / organizations fulfilling all the following criteria can apply for empanelment as TPAs:

- (i) The institution / organization must be registered as a company / partnership or proprietary firm / Trust / Society / NGO / Industry Association or Chamber.
- (ii) Institution / organization with minimum 5 years of experience of working in the area of Industrial Training/skilling/education/placement/non-profit activities/working as a registered industry association or Chamber.
- (iii) Institution / organization must have a registered office (with an expert team & sufficient infrastructure in place at its Head-Quarters/ Branch so as to be able to coordinate the implementation of an apprenticeship programme and have courses / curriculum designed in its domain area).
- (iv) Institution / organization must have exposure in mobilization of men, women and youth for education, skilling, interventions, facilitating wage / self-employment or involved with non-profit activities pertaining to social / community development.
- (v) Institution / organization must possess letters of support from at least 20 establishments wanting to engage apprentices stating that they are willing to appoint the applicant institution / organization as a TPA.
- (vi) Institution / organization or any of its related concerns applying for empanelment should not have been blacklisted by any organization and must self-declare the same in the prescribed template.

6. ROLE AND FUNCTION OF SECTOR SKILL COUNCILS (SSCs)

The Sector Skill Councils (SSCs) operate as an autonomous body and registered under Section 8 of the Company's Act 2013 or as a Society. SSCs are national partnership organizations that bring together all the stakeholders viz. industry, labour and the academia. There are 38 SSCs in different sectors of the economy.

Under the NAPS, the SSCs performs the mandated functions. In addition to these mandated functions the SSCs are required to perform the following roles and functions for implementation of the Apprentice Training Scheme:

- (i) The SSCs are expected to act proactively to motivate more industries to participate in the Apprenticeship Training program.
- (ii) Also entrusted with the responsibility of assessment and certification of apprentices in Optional Trades etc.

- (iii) Identification of job roles (in close coordination with NSDC) in which apprenticeship can be made compulsory and optional respectively;
- (iv) Preparation of new qualification packs based on the industry requirement;
- (v) Develop embedded and top up apprenticeship curricula;
- (vi) Advocacy of apprenticeship in the industry;
- (vii) Identifying the employers and facilitate registration on apprenticeship portal;
- (viii) Registration of contacts between employer and candidates with mapping of preferred trades/ subjects with basic education and experience background of candidate;
- (ix) Undertake capacity building exercise for employers' HR personnel who will drive apprenticeship engagement in their respective organization;
- (x) Undertake assessment and Certification in participation with employers as per Guidelines issued for the same.
- (xi) Provide supervision for the implementation of the apprenticeship programs in their respective areas to protect the interest of the candidates.

7. IMPLEMENTATION PLAN:

- (i) The project shall be implemented through NSDC. MSDE will release funds to NSDC based on the demand raised by NSDC on target for the current financial year 2019-20 as proposed by TPAs and SSCs for the first three months.
- (ii) NSDC will release the funds to TPAs and SSCs as per the payment plans through online system.
- (iii) Following procedure shall be adopted by the NSDC for release of funds to TPAs and SSCs:
 - (a) **TPAs shall submit their quarterly plans through their login on the Apprenticeship portal. The quarterly plan will consist of information on number of candidates mobilized along with name, Aadhaar No., sector and establishments for which they have given their willingness to join as apprentice. The incentives will be given only for those candidate for whom the TPA has contributed for signing of contract between establishment and apprentice in that particular quarter as per their quarterly plan.**
 - (b) TPAs should also submit quarterly progress report consisting information of number of apprenticeship contracts generated gender-wise, establishments on-board, any promotional events and industry advocacy.
 - (c) Apprentices mobilized by SSCs should be distinct from the apprentices mobilized by TPAs. The SSCs are required to set targets for generating apprenticeship contracts in Optional Trades and Designated Trades. Their performance shall be reviewed on quarterly basis. The SSCs are also required to conduct

assessments for basic training for Optional Trades at the end of the apprenticeship training.

- (d) NSDC on quarterly basis should examine the quarterly reports and on this basis and as per the component-wise criteria may release the funds accordingly to TPAs and SSCs. The payments be made through Public Financial Management System (PFMS).
- (e) Assessment fee payment shall be only made to the concerned SSC only on uploading the results on the portal. The report of such assessments conducted shall be submitted to NSDC every quarter. NSDC shall verify the number of assessments done before proceeding for the payment. Additionally, assessment fee of Rs.300/- will be paid to SSC by NSDC through PFMS gateway for the number of assessments conducted.
- (f) Payment for the last quarter shall be made only after apprentice appear for the assessment.
- (h) Payment for each quarter shall be made only after adjusting the dropouts.

8. COST INVOLVED FOR THE PILOT PROJECT:

The costs have been worked out on the basis of contracts signed between Apprentices and establishments before start of the Apprenticeship Training. Details are as follows:

- (i) Incentive to SSCs @INR 500 per contract for 1.4 lakh contracts.
- (ii) Incentive to TPAs for Male apprentices @INR 1000 per facilitation of signing contracts between apprentices and employers for 1.0 lakh apprentices.
- (iii) Incentive to TPAs for Female apprentices @INR 1250 per facilitation of signing contracts between apprentices and employers for 0.40 lakh apprentices.
- (iv) Subsidizing the examination and certification cost to SSC for 1.2 lakh apprentices.
- (v) Administrative cost for NSDC to support effective implementation of Pilot project.
- (vi) Advertisement and Publicity of the Apprenticeship Training Scheme including Pilot project.

9. OUTLAY OF THE PILOT PROJECT

The project outlay for the Pilot Project to be implemented between 1st October 2019 and 31st March 2020 is Rs.27.66 crore. Component-wise details are as follows:

S.No.	Name of the Stakeholder	Number of contracts	Incentives per contract (in INR)	Total amount (F.Y. 2019-20) (Rs. In crore)
A.	For new Apprenticeship Contracts generated during the period of the Pilot Project			
1.	SSC	1.4 lakh contracts	500	7.00
2.	TPA	1.0 lakh contract facilitation for Male apprentices	1000	10.00
3.	TPA	0.40 lakh contract facilitation for Female apprentices	1000	5.00
	Total (A)			22.00
B.	Subsidizing the examination and certification cost			
	SSC	1.2 lakh apprentices	300	3.6
	Total (B)			3.6
C.	For advertisement and publicity of Apprenticeship Training Scheme and Pilot Project between September 2019 and March 2020			
		-	-	1.00
	Total (C)			1.00
D.	4% Administrative Cost			
	For NSDC for working as implementing organization for all activities under the Pilot project	-	-	1.06
	Total (D)			1.06
	Grand Total (A)+(B)+(C)+(D)			27.66

10. SOURCES OF FINANCE:

The sources of finance shall from the budgetary support of Ministry of Skill Development & Entrepreneurship (MSDE) under the Scheme head "Promotion of Apprenticeship"-Grant in Aid .

11. PATTERN OF ASSISTANCE:

The Ministry of Skill Development & Entrepreneurship shall provide funds to National Skill Development Corporation (NSDC).

NSDC shall in turn provide funds in the manner given below:

- (i) To SSCs and TPAs for promotion and advocacy of Apprenticeship Training for both designated and optional trades.
- (ii) To SSCs for subsidizing of cost of examination and certification fees on actual basis.

12. PAYMENT PLAN FOR SSCs AND TPAs:

A. FOR SSCs: (In two stages)

1. 30 percent of the sum shall be given to SSCs on signing of the Contract by Establishment and apprentices and
2. 70 percent on successful completion of training and appearing for examination.

B. FOR TPAs: (In two stages)

1. 30 percent of the sum shall be given to TPAs on signing of the Contract between apprentices and employers, and
2. 70 percent on successful completion of Apprenticeship Training.

(Note: TPAs will submit their plan to NSDC based on realistic target and the Apprenticeship contract will be linked with Aadhaar /UID numbers for payment purpose).

14. APPROVAL OF THE IFD:

The Pilot project is approved by the Integrated Finance Department in Ministry of Skill Development & Entrepreneurship vide IFD Dy.No.1270 dated 27.8.2019.
