Webinar – Operationalizing Scale Up of IAI (RA4) under STRIVE

WEDNESDAY, 17 JUNE, 2020
1030 AM - 1230 PM

Bihar, Uttarakhand, Jharkhand, Chhattisgarh, Goa, Dadra & Daman, J&K, Ladakh, Puducherry, Chandigarh, Delhi, Lakshadweep, Andaman, 8 NE states
Webinar Topics

- About the Industry Apprenticeship Initiative
- Eligibility of the Industry Cluster
- Selection Process
- IC Application Form and How to Submit
- Evaluation and role of State/UT

Q&A
Participation of MSMEs in formal apprenticeship system is not encouraging, and is low as compared to potential they hold.

The reasons include:

• Lack of awareness and understanding about formal apprenticeship systems,
• Inability to offer instructional skilling as per prescribed curriculum
• Inability to hire coordination/instructional staff because of financial constraints
• Inadequacy of supporting staff and perception of apprenticeship as liability
• Above all, no business case.

STRIVE project is an initiative to empower and capacitate MSMEs to participate in formal apprenticeship system through a cluster approach
Highlights of the IAI scheme

- The IAI Scheme is based on a competitive selection process, capacity development of private stakeholders, notably industry cluster organizations and MSMEs.
- DGT is also empowered to select Industry Clusters on nomination basis
- IC selection is a two phase process – First IC application followed by IAI proposal submission. Industry cluster with strong member engagement with focus on capacity creation of members of apprenticeship engagement.
- ICs will be selected and provided with financial and capacity building support to facilitate the participation of their member companies in apprenticeship training
- IAI Gant of to establish Apprenticeship Implementation Cell (AIC) which will implement the objectives of IAI.
Highlights…

- IC will be awarded maximum fund of up to INR 1 crore for 3 years based on performance against proposed funding milestones.
- The minimum duration of the apprenticeship training must be 1 year and maximum up to 2 years.
- IC must ensure at least 2 different apprenticeship programs within their participating member industries. An IAI shall cover minimum 2 and maximum 5 different apprenticeship program (trades) with at least 20 trainees enrolled under each program. The trades may fall under one or more sectors.
- Apprenticeship programs under the IAI shall be market-driven, i.e. they must provide training in trades or occupational specializations that are needed by the participating members of the cluster.
IC can choose both ‘Designated Trades’ and ‘Optional Trades’. ICs are encouraged to design new trades relevant to their cluster (which are otherwise not covered under existing curriculum).

Selection of ICs is competitive process and will be evaluated against a standard evaluation matrix. Only ICs scoring against set marks will qualify to be recommended by States to NPIU. Following parameters are given high weightage score:

Each Apprenticeship program under the IAI shall include both basic training as well as on the job/workplace training with a focus on engaging fresh apprentices; however, those programs may also be included where apprentices are exempted from basic training because they have attended ITI training or any other training that is considered equivalent to basic training.

Fund disbursement to ICs is based on milestones and verification of claims.
Highlights

• An IC can combine STRIVE with NAPS and avail the benefits of the scheme.
• Apprenticeship programs administered by MHRD, Govt. of India will not be covered under STRIVE.
• The IAI grant must be implemented in accordance with the Apprentices Act, 1961, and accompanying Rules and Regulations.
• For fresher apprentices, An IC may engage/avail the services of such BTPs which are approved by RDSDE/NSDC.
• IAI grant must include measures for training and capacity building for staff (supervisors and training managers) in establishment /companies that engage apprentices under the apprenticeship training program of the IAI.
Role and Functions of Industry Cluster (IC)

- Overall responsibility for implementing the IAI scheme on behalf of its members and managing the grant funding.
- Establish Apprenticeship Initiative Cell (AIC)
- Aggregating members and identifying training needs from the members (Identification of occupations/trades where Apprenticeship training will take place).
- Design and implement curriculum for new apprenticeship programs and partner with potential academic partners (ITI/NSDC/Training programs etc).
- Prepare detailed IAI Plan for three years and encouraging members for creating apprentice training opportunities.
- Conduct capacity building programs for its members on apprentice training.
- Set up basic training infrastructure in the cluster or explore partnership/Identify basic training providers (BTPs).
- Undertake Communication Outreach activities including mobilization of prospective apprentices.
Role and Functions of Industry Cluster (IC)…

- Design courses (or facilitating the design) for needs-based apprenticeship if required by cluster;
- Train (or facilitating training of) company supervisors and staff members of the IC members;
- Build capacity of member enterprises in the cluster to undertake apprenticeship as per the apprenticeship training plan submitted by IC;
- Encourage its members to hire women apprentices;
- Ensure that the apprenticeship training being provided (through its members) is of highest quality and in line with set benchmarks/standards;
- Provide support services to those apprentices who become eligible for All India Trade Test (in case of designated trades)/or assessment (in case of optional trades) on the completion of Apprenticeship Training Program.
Funding Guidelines

- Maximum fund of up to INR 1 crore for 3 years per IC

- A tripartite “Grant agreement” between MoSDE, State and IC valid for the entire duration of project period

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Fund to be released in the milestone as % of total allocated fund</th>
<th>Fund Release Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>40%</td>
<td>Signing of Tri-Partite Agreement</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
<td>Minimum utilization of 50% of funds released in Milestone 1</td>
</tr>
<tr>
<td>3</td>
<td>30%</td>
<td>100% utilization of funds at milestone 1 and minimum 25% of funds utilised in milestone 2</td>
</tr>
<tr>
<td>4</td>
<td>10%</td>
<td>A minimum of 50% of planned apprentices must be either engaged in apprenticeship training or, have appeared for the trade test</td>
</tr>
</tbody>
</table>

- State Apprenticeship Monitoring Cell will monitor the performance of IC
## KPIs and Milestones for ICs

<table>
<thead>
<tr>
<th>#</th>
<th>KPIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Signing of 'Tripartite Grant Agreement' between Government of India, (First Party) State Government (Second Party) and Industry Cluster (Third Party)</td>
</tr>
<tr>
<td>2</td>
<td>Capacity development of staff of participating enterprises and other stakeholders</td>
</tr>
<tr>
<td>3</td>
<td>Signing of apprenticeship contracts between employer/Industry and apprentices as stated in IAI proposal</td>
</tr>
<tr>
<td>4</td>
<td>Submission of project completion report</td>
</tr>
</tbody>
</table>

### Disbursement Protocol

<table>
<thead>
<tr>
<th>#</th>
<th>% of total</th>
<th>Milestone</th>
<th>Disbursement Protocol</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>40%</td>
<td>Signing of grant agreement</td>
<td>Upon signing</td>
</tr>
<tr>
<td>2</td>
<td>20%*</td>
<td>Percentage of staff (IC member enterprise/AIC/BTP/other partners of IC) who have undergone capacity development programs</td>
<td>Upon achievement of consolidated 3-year target or on achievement of actual result on a proportionate basis (Proportionate release permissible only once during the project period, unclaimed proportion may be claimed at the end of the project)</td>
</tr>
<tr>
<td>3</td>
<td>30%*</td>
<td>Percentage of estimated trainees with whom apprenticeship contracts have been signed</td>
<td>Upon achievement of consolidated 3-year target, or on achievement of actual result on a proportionate basis (Proportionate release permissible only once during the project period, unclaimed proportion may be claimed at the end of the project)</td>
</tr>
<tr>
<td>4</td>
<td>10%</td>
<td>End of Project report</td>
<td>Upon submission of end of project report. (The remaining proportion of funds for milestone 2 and 3 which has been achieved and not claimed, can be claimed along with submission of the End of Project Report.)</td>
</tr>
</tbody>
</table>

**Note:** KPI data will be verified through SAMC of the State concerned based on real time apprentice data from the relevant portal (DGT apprenticeship portal for designated trades and NSDC apprenticeship portal for Optional Trades).

*balance outstanding amount from disbursement head 2 and 3, in table above, once targets have been achieved shall be released in final disbursement
## Eligible and Non-Eligible Expenditures for ICs (indicative)

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligible expenditure</th>
<th>Non-eligible expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship Program Development &amp; Preparation Costs</td>
<td>Costs related to the development and preparation of the apprenticeship program. This includes:</td>
<td>• Purchase of land/buildings and construction of new buildings.</td>
</tr>
<tr>
<td></td>
<td>• Hiring of consultant or other costs to develop proposal, conduct needs assessments and curriculum development, if needed (for both the curriculum of basic training and industry-based training).</td>
<td>• Major civil works in the existing infrastructure</td>
</tr>
<tr>
<td></td>
<td>• Costs related to the development of teaching and learning material, if needed</td>
<td>• Purchase of laptops and other electronic gadgets including smartphones, however desktop computers required for office work is permissible.</td>
</tr>
<tr>
<td>Capacity Development Costs</td>
<td>This includes costs for conducting training of staff in companies involved in apprenticeship training (managers, supervisors), training of AIC staff and teachers of participating basic training providers, technical workshops on IAI/apprenticeship etc.</td>
<td></td>
</tr>
<tr>
<td>Apprenticeship Training Costs</td>
<td>The eligible expenditures to be considered for utilization of funds under Training Costs include:</td>
<td>• Purchase of any vehicle,</td>
</tr>
<tr>
<td></td>
<td>• Costs for tools and other basic assets (e.g. protective clothing, helmets, work place equipment) to be used by apprentices while in industry-based training</td>
<td>• Purchase of any furniture and fixture item exceeding INR 25000 per unit.</td>
</tr>
<tr>
<td></td>
<td>• Equipment for BTP up to 10 lakhs (exception to be justified by Governing Committee of an IC and duly approved by respective SAMC)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Minor refurbishment and repair work of existing infrastructure in BTPs run by ICs (up to INR 5 lakhs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Group Insurance for apprentices</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Costs related to assessment and certification of apprentices in terms of Optional trade</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cost for transport of apprentices</td>
<td></td>
</tr>
<tr>
<td>Organization &amp; Facilitation (IC and AIC Costs):</td>
<td>This includes costs related to the operations of an AIC in the IC. Eligible expenditure includes salaries of AIC officers and support staff communication, local tours, hoisting of a dedicated website, audit fees, office expenses, including computer, printer and projector, hiring of vehicle etc.</td>
<td></td>
</tr>
<tr>
<td>Communication and Outreach Costs</td>
<td>This would include costs relating to attracting and inducting apprenticeship trainees into the industry led apprenticeship program. Eligible expenditure would include: workshops, advertisements, participating in job fairs, recruitment drives in schools, colleges and other as approved in the cluster proposal.</td>
<td></td>
</tr>
</tbody>
</table>
Webinar Topics

- About the Industry Apprenticeship Initiative
- Eligibility of the Industry Cluster
- Selection Process
- IC Application Form and How to Submit
- Evaluation and role of State/UT

Q&A
Eligibility of Industry Cluster

Eligibility of Industry Cluster to participate in Industry Apprenticeship Initiative
Based on the Section 3.4.3 of the STRIVE operational manual approved by NSC on 4th November 2019

1. Industry Cluster (IC) must be an industry association formally registered either as a ‘society’ under relevant Societies Registration Act or trust or an organization under Section 8 Company and have the legal capacity to sign Tripartite Agreements/contracts on behalf of its members.

2. Minimum Number of member enterprises consenting to participate with IC for implementing IAI grant must be 20 irrespective of the size of the cluster.

3. Minimum apprenticeship seats available for IAI implementation in the cluster as per the Apprenticeship Act/Norms must be 40.

4. Minimum 50% of the participating members should be from MSME category (as per MSME definition of Govt. of India)

Note – Eligibility is subject to change based on the implementation learnings. Refer DGT website for any new updates/addendum.

Detailed Operational Manual with application formats can be downloaded from https://dgt.gov.in/Strive
Mobilizing Industry Clusters # Indicative Sources

- Industry Associations (Sectorial, regional) having establishments as direct members with active secretariat serving its members

- Industrial Areas/Zones/Estates/SEZ – representative associations

  - Coordinate with State Industry Promotion Corporation, Dept of Industry, SME etc

- List of clusters supported by other ministries such as - Ministry of textile etc have listed clusters etc
Industry Cluster Selection Process

1. Advertisement by DGT
2. IC Outreach and IAI dissemination by States
3. Submission of online application form by IC
4. Competitive Selection – Evaluation of IC applications by State Cluster Evaluation Committee
5. Submission of IAI Proposal by selected ICs to SAMC
6. Evaluation of IAI proposal by State Cluster Evaluation Committee
7. Tripartite Grant Agreement between IC, State and Centre
8. Final Approval of IAI proposals by State Steering Committee (SSC)
9. Approval of final IC list by NSC
10. SAMC recommends the list of ICs to be selected through SSC to NCEC
11. Intimation of Approval by State Steering Committee to NSC
Important Time lines

Date of release of advertisement by DGT – 21 May 2020 [https://dgt.gov.in/what-s-new](https://dgt.gov.in/what-s-new)

Last Date of Submitting IC application Forms – 30th July
Important web links

All details related to IAI scale up phase
https://dgt.gov.in/Strive

Video Tutorial (Selection Process)
https://www.youtube.com/watch?v=Z-soOIw5No&feature=youtu.be

Video Tutorial (detailed) – How to fill and submit IC application form
https://www.youtube.com/watch?v=nGDx6wXpK8I

Application forms and Templates
https://dgt.gov.in/download-guidelines-strive

Video Tutorial (IC Evaluation)
https://www.youtube.com/watch?v=9qjUPixmIO0&feature=youtu.be

Addendum related to RA4 of STRIVE (Changes in the Operational Manual)
https://dgt.gov.in/sites/default/files/Addendum_to_OM_for_STRIVE_1.pdf
Webinar Topics

- About the Industry Apprenticeship Initiative
- Eligibility of the Industry Cluster
- Selection Process
- IC Application Form and How to Submit
- Evaluation and role of State/UT

Q&A
Empowered SAMC with adequate staff is critical for IAI popularization, IC mobilization and Evaluation through State Cluster Evaluation Committee (SCEC)

<table>
<thead>
<tr>
<th>Constitutional and Conveying of State Cluster Evaluation Committee</th>
<th>States shall establish SAMC, constitute SCEC. SAMC will undertake training of SCEC members on evaluation exercise, conveying SCEC meetings and coordinate with State Steering Committee, NPIU, ICs for evaluation outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enquiry handling and IC coordination</td>
<td>SAMCs shall make necessary arrangements to appoint dedicated one-point contact to clarify submission related clarifications from ICs.</td>
</tr>
<tr>
<td>Collation and Tabulation of IC applications</td>
<td>The evaluation sheets signed by each SCEC member in hard copies with minutes shall be documented by SAMC.</td>
</tr>
</tbody>
</table>
State Cluster Evaluation Committee

State Cluster Evaluation Committee (SCEC) will be responsible for evaluation of IC Application and IAI Proposals under Result Area 4 of STRIVE.

The State Cluster Evaluation Committee (refer addendum issued by DGT on 14th Feb 2020) headed by SAA shall comprise of representatives from:

- SAMC,
- RDSDE concerned,
- NSDC SEO of the State concerned,
- Representative from SSDM and
- Industrialists from private sector (by submitting a disclaimer that he/she has no business relation with participating members of ICs).

Note: The States are empowered to add/delete members of this SCEC as deemed fit under intimation to NPIU.
Constitution of State Cluster Evaluation Committee (SCEC)

Briefing Session to SCEC members on evaluation exercise and scoring rubric by SAMC

DGT will forward online applications submitted by industry clusters to SAMCs

Minutes of the SCEC by SAMC for State Screening Committee approval

SCEC meeting under the chairmanship of SAA for evaluation activity

Collation and Tabulation of IC application forms, information/proofs doc etc. Basic sanity checks by SAMC

SSC recommendations of shortlisted industry clusters to NPIU

Evaluation of recommended IC applications from SSCs by NCEC

Intimation of Approval by NPIU to States/UTs

**State/SAMC Activity**

**NPIU Activity**
# Responsibilities of States in IC Selection and Monitoring (1/2)

<table>
<thead>
<tr>
<th>#</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>States through SAMC to constitute State Cluster Evaluation Committee (SCEC)</td>
</tr>
<tr>
<td>2</td>
<td>Outreach and Dissemination activity with potential industry clusters on IAI in the state.</td>
</tr>
<tr>
<td>3</td>
<td>Training to State Cluster Evaluation Committee meeting members on evaluation exercise</td>
</tr>
<tr>
<td>4</td>
<td>Convene SCEC meeting to scrutinize all IC applications and recommend the qualified ICs to National cluster Evaluation Committee (housed at NPIU) for approval.</td>
</tr>
<tr>
<td>5</td>
<td>Notification of Selection/Rejection to ICs, Directorate General of Training (DGT), NSDC SEO and RDSDE</td>
</tr>
<tr>
<td>6</td>
<td>Tripartite Agreement signing with IC &amp; MSDE. Head of State Directorate dealing with Apprenticeship Training Scheme (Principal Secretary/Secretary/Commissioner) is the signatory from state.</td>
</tr>
<tr>
<td>7</td>
<td>Provide technical assistance and handholding support to selected IC in preparing IAI proposal</td>
</tr>
<tr>
<td>8</td>
<td>SAMC to Conduct Screening process of detailed IAI proposal submitted by ICs, assess its relevance and feasibility.</td>
</tr>
<tr>
<td>9</td>
<td>Coordination with State Steering Committee for Approval of IAI proposal</td>
</tr>
<tr>
<td>10</td>
<td>Verification and review of the milestone claims made by IC and instructions to department for Release of funds to ICs as per the achieved milestones</td>
</tr>
</tbody>
</table>
Responsibilities of States in IC Selection and Monitoring (2/2)

<table>
<thead>
<tr>
<th>#</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Providing Handholding support to IC on apprenticeship portal, trade selection, training design etc. as per the approved IAI plan.</td>
</tr>
<tr>
<td>12</td>
<td>Facilitate and coordinate with apprentice contract signing authority - State Apprenticeship Advisor (for designated trades) and NSDC /SSDM for optional trades.</td>
</tr>
<tr>
<td>13</td>
<td>Review of the IAI plan for 2nd and 3rd Year of the IC</td>
</tr>
<tr>
<td>14</td>
<td>Review of Capacity Building activity and Procurement plan</td>
</tr>
<tr>
<td>15</td>
<td>Verification of Annual Completion Report of ICs along with recommendations to be sent to NPIU/DGT</td>
</tr>
<tr>
<td>16</td>
<td>Organize training and outreach workshops/seminars</td>
</tr>
<tr>
<td>17</td>
<td>Setup Grievance Redressal mechanism</td>
</tr>
<tr>
<td>18</td>
<td>Collection and review of reports detailed in performance and achievement report (Annexure 20C) and IAI implementation update (Annexure 39)</td>
</tr>
<tr>
<td>19</td>
<td>The consolidated UC of all Industry Clusters under the project within the State shall be submitted by SAMC/ State government</td>
</tr>
</tbody>
</table>
Changes introduced in the OM based on pilot

1. An evaluation matrix is introduced for National Evaluation Cluster Committee
2. Selection stages are reduced. States are empowered to assess and evaluate the IAI, step of NCEC approval for IAI proposals is not required.
3. Operational Manual changed and following Annexs are revised:
   - Annexure 14 (IC Application form)
   - Annexure 15 (SCEC Evaluation Sheet)
   - Annexures 17 (IAI proposal form)
   - Annexure 18 (IAI Evaluation sheet)
4. Apart from evaluation of IC, readiness of state will also be factored in the NCEC evaluation.
5. While the selection is competitive based, NPIU is empowered by NSC for nomination based selection.
6. Interpretation between “Industry Cluster” and Industry Association” is simplified in the IC eligibility.