

# **GUIDELINES FOR THIRD PARTY AGGREGATORS**

## **1. BACKGROUND**

At present, only 4.17 lakh trade apprentices are undergoing apprenticeship training across organizations in different sectors throughout the country under the Apprentices Act, 1961. Given the fact that the formal Indian work force is approx. 100 million this number is miniscule. Out of these, 36,000 apprentices are in Central Public Sector Undertakings/Central Government and 1.94 lakh apprentices are in State Public Sector Undertaking/State Government Departments. There are about 50 lakh employees in Central Public Sector Undertaking, Central Government and Banking Sector. If these establishments engage apprentices even up to the mandatory minimum limit of 2.5% of the total manpower strength, the number could reach 1,25,000. Besides the larger PSUs & Private Sector Industries, there are a large numbers of establishments in MSMEs sector who come under the ambit of the Act. But their participation in implementation of apprenticeship training has not been encouraging. There are multiple reasons behind this including limited availability of training facilities as per prescribed curriculum, inability to hire instructional staff because of financial constraints, inadequacy of supporting staff to support activities involved with apprenticeship training such as maintaining contract of apprenticeship, uploading the contract details on the apprenticeship portal etc.. There are about 21 lakh MSMEs having 6 or more workers. Even if each establishment engages one apprentice, the number could be 21 lakh. Therefore, there is a huge potential in apprenticeship training which remains untapped because MSMEs do not have adequate staff to support activities involved with apprenticeship training.

To facilitate the Industry (specially the MSMEs) to undertake apprenticeship programme as mandated under the Apprenticeship Act 1961, a provision has been made under section 8(2) of the Apprentices Act, 1961 which enables several employers to join together either themselves or through an agency approved by the Apprenticeship Adviser, for and provide apprenticeship training to the apprentices under them according to the guidelines issued from time to time by the Government,.

Further, the government of India has launched a new scheme "National Apprenticeship Promotion Scheme (NAPS)" on 19<sup>th</sup> August, 2016 to provide financial support to establishments undertaking apprentice programmes. The target under the scheme is to undertake apprenticeship for 50 lakh persons by 2019-2020 against which we have covered less than 5 lakh at present.

It is, therefore, proposed to support MSMEs and other establishments by providing them the facility of Third Party Aggregators (TPA) and encourage them to engage large number of youth for Apprenticeship Training in accordance with these guidelines.

## **2. ELIGIBILITY OF TPA**

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

- a) The institution/organization must be registered as a company/partnership or Proprietary firm /Trust/Society /NGO/ Industry Association or Chamber
- b) Institution/ organization with at least 5 years of experience of working in the area of Industrial training/ skilling/ education/ placement/ non-profit activities/working as an registered industry association or chamber
- c) 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 running of an apprenticeship programme and have courses/curriculum designed etc. in its domain area )
- d) 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.
- e) Institution/ organization must possess letters of support from at least 20 establishments wanting to engage apprentices stating that it is willing to appoint the applicant institution/organization as a TPA.
- f) 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.

### 3. Selection process for TPAs

The selection process for TPAs will be as under : -

- a) The application form can be downloaded from the apprenticeship website <http://apprenticeshipindia.org> filled in by the applicant institution/organization and uploaded on the portal along with the following documents:-
  - i) registration documents
  - ii) documents to establish conditions under paras (b) to (d) above.
  - iii) letters of support from at least 20 establishments wanting to engage apprentices stating that it is willing to appoint the applicant institution/organization as a TPA.
  - iv) self-declaration from duly filled in stating that it has not been blacklisted by any organization.
  - v) till such time as this functionality is available on the portal the applicant institution/organization can E-mail the form after filling it in along with the listed documents to **apprenticeship@nsdcindia.org**
- b) Applications will be scrutinized by the Apprenticeship Division set up at the NSDC in respect of basic eligibility criteria and placed before a committee set up under the Chairmanship of the JS (Apprenticeship) in the MSDE constituted of officers from the MSDE, DGT & NSDC for consideration of approval. The applications found eligible will be informed of the same by the Apprenticeship Division.
- c) The committee may if it deems fit refer the application to the RDAT,DGT or the State Engagement Officer ,NSDC for field verification.
- d) The committee may also, if deemed, fit invite the shortlisted applicant to make a presentation before it on a pre-fixed date

- e) The committee reserves the right to accept/reject any/all of the applications & the decision of the Committee shall be final and binding.
- f) The decision of the Committee will be communicated to the applicant institutions/ organizations on line by the Apprenticeship Division at NSDC.

#### **4. Term and Conditions of empanelment as a TPA will be as under:-**

- a) Institutions/organizations will be empaneled for a period of three years;
- b) Performance of the institutions/organizations as a TPAs will be reviewed on a periodic basis
- c) MSDE will have right to remove any institutions/organizations from the empaneled list at any time in cases where it is satisfied that the said institutions/organizations is not performing well as a TPA .
- d) MSDE also reserves the right to modify the term and conditions for empanelment of institutions/organizations from time to time and such modified terms shall be binding on the empaneled institutions/organizations. .
- e) The empaneled institutions/organizations are expected to maintain a high level of professional ethics and not act in any manner, which is detrimental to the interest of the Apprenticeship programme or the MSDE/State Governments or its allied departments/organizations like the DGT/NSDC/SSDMs.

This document and other related information with regard to TPAs are uploaded in the website UR <http://www.apprenticeshipindia.org/Material/TPAGuidelines.pdf>

#### **5. ROLE OF TPAs**

##### **5.1 ROLE OF TPAs will be as under:-**

- a) to arrange the basic training under the Apprenticeship Act through Basic Training Providers for fresher apprentices (apprentices who come directly to undertake apprenticeship training without any formal training) in case the establishment is desirous of outsourcing the basic training.
- b) 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 per the case
- c) 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 (maximum upto 3) 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.
- d) to match the demand of establishments for apprentices with the candidates desiring to undergo apprenticeship programme

- e) to mobilise and counsel candidates to undergo apprenticeship trainings
- f) to assist the establishment in designing courses under the apprentice programme and getting them NSQF aligned (in case establishments opt for NAPS)
- g) 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.
- h) to upload the syllabus with duration of apprentices courses on behalf of the establishment
- i) to furnish all the returns on the portal-site on behalf of the establishment
- j) to submit reimbursement claims on behalf of establishment towards stipend paid to apprentices
- k) to submit reimbursement claims for basic training cost in case establishment is the basic training provider under NAPS.
- l) to ensure compliance of all formalities by the apprentices for appearing in assessment examinations as and when required.
- m) 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)
- n) TPA will not charge any money from apprentices. However, it may charge the establishment for services rendered such as mobilization and to provide administrative support to the establishment to run its apprenticeship programme.

## **5.2 RESPONSIBILITIES OF EMPLOYERS (in cases where it engages TPAs)**

The following core activities under the Apprenticeship act will continue to be the responsibility of the employer even in cases where it engages the services of the TPA:-

- a) Enter into contract of apprenticeship with apprentices
- b) Ensure uploading of apprenticeship contract on portal
- c) Ensure uploading of the syllabus with duration on portal
- d) Arrange/provide of basic training to fresher apprentice.
- e) Provide on-the-job training/practical training at his workplace to apprentice engaged by him.
- f) Payment of prescribed stipend to apprentices
- g) Payment of compensation in case personal injury is caused to an apprentice, by an accident during training.
- h) Organizing assessment & certification at the end of the apprenticeship programme.

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