

## BUSINESS RULES

### Formal Training Institutes

The table specifies key performance indicators which are required to be followed by training provider and the same will be observed during the visits by Third Party Monitoring Firm (TPM). In case of further inquiry is required, PSDF may investigate and condone the reported observations.

#### MONITORING PRACTICES

- Pre-training inspections can be conducted anytime during training period
- Verification of consumables will be carried out on monthly basis through trainee perception
- At least 2 monitoring visits will be carried out during a month
- Post training employment verification will be conducted for three months

Compliance Risk	No.	Key Indicators	Description of key indicator
<b>Centre Readiness</b>	1	Unannounced centre relocation	The training centre is relocated to a different site without prior approval or information to PSDF
	2	Non-functional Classes	Class is locked/trainers or trainees are not present. Trainees found present, but class is not in progress due to any reason. e.g. non-availability of Instructor, backup source of electricity (Subject to the trades) or trainees found involved in any other activities instead of training. <sup>1</sup>
<b>Trainee Selection Compliance <sup>2</sup></b>	3	Selection/enrollment of vulnerable trainees in line with BISP poverty score and DAE's	<ul style="list-style-type: none"> <li>- Trainee age should be 18 years with upper age limit of 29 years by completion of course.</li> <li>- Should not be enrolled earlier in any PSDF funded training</li> <li>- Should be in line with BISP poverty score</li> <li>- Trainees previously enrolled in DAE programs from PBTE should not be enrolled except in trainings courses where DAE is the Pre-requisite of advance level course</li> </ul>
<b>Participation Compliance</b>	4	Marginal Trainee	<p><b>For course &gt;1month</b></p> <ul style="list-style-type: none"> <li>- Entire stipend will be with-held if a trainee remains marginal and same should be reimbursed if trainee remains 'Present' in subsequent month</li> </ul> <p><b>For course &lt;=1month</b></p> <p>Entire stipend will be deducted, if trainee is not found in two visits. If found in any visit 1/2 stipend will be released.</p>
	5	Confirmed Marginal (Drop out)	<p>Trainee marked absent in two consecutive months during TPM visits with course duration &gt; 1month (Dropout)</p> <p>In case of duration &lt;= 1 month trainees remaining absent in two visits will be dropout.</p>

<sup>1</sup> If class is reported as non-functional during first visit of first month by TPM, payment will be made from second visit date of TPM. If a class is reported as non-functional during all visits by TPM in any month, no payment will be made against that class for that month.

<sup>2</sup> If at any stage of training, non-compliance on trainee induction criteria is identified by PSDF, entire training cost of such trainee will be deducted since inception.

	6	Fake/ghost trainee	Marked present found absent in two consecutive visits <b>OR</b> Identified during Trainee Profile / CNIC Matching.
	7	Accuracy of attendance register (visit day)	a) Attendance is not marked in the register. b) A trainee is marked present but found absent. c) A trainee is dropped out but marked present in the register. d) Trainee names of current and previous months will be compared. If trainees name deleted / added, the same will be reported. All above scenarios (a,b,c & d) will be reported in trainee count. <sup>3</sup> e) Register format not followed f) Trainee attendance register is not available
	8	Physical Count	If the trainee's attendance is less than 80% of enrolled trainees (excluding dropouts) an amount shall be withheld using percentage point difference formula and is reimbursed if the attendance reaches 80% in subsequent month or forfeited if the attendance continues to remain below 80% <sup>4</sup>
	9	Any fee charged from trainees	The trainee/s report/s about payment of any kind of fee at any time during the training
<b>Deliverables Compliance</b>	10	verification of deliverables from trainees	Uniform/Bags cost & stipend payments (If applicable) will be deducted in proportion to verification results. Third party verification will be carried out for a maximum of two times.
<b>Qualitative Compliance</b>	11	Teacher Change	Will be recorded as non-compliance on second occurrence if not informed and approved by PSDF.
	12	Books/manual/hand-outs	More than 20% trainees report non-supply of books/manuals. However, same will not be recorded during 1st Month of training.
<b>Assessment Compliance</b>	13	Failed trainees/Absent Trainees	10% training cost will be deducted in case fail trainees are above 20% threshold. Testing fee will be deducted for all absent trainees in examinations
<b>Employment Commitment Compliance</b>	14	Committed employment targets	Payment against committed employment targets will be released as follows;  - 95% & above verified; Full payment will be released - 90% - 95% verified; 75% payment will be released. - 80% - 90% verified; 50% payment will be released. - If verified employment commitment remains less than 80% full remaining amount will be deducted.
<b>Reporting Compliance</b>	15	Late submission of reports	2% fine will be applied on late submission of reports and relevant documents.
<b>Contractual to Enrollment Compliance</b>	16	No. of Cancelled classes	For a given scheme, if number of cancelled classes of a training provider is more than 20 percent of the entire contractual classes awarded to that particular training provider, 10% contractual training cost of cancelled classes will be deducted.

<sup>3</sup> Attendance will only be considered for those trainees whose trainee profiles are received and accepted by PSDF.

<sup>4</sup> The amount deducted will be eighty percent of trainees present, multiplied by training cost  
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- Inquiry will be held in case of reported observations cited at serial no. 1, 6 & 9. Inquiry can result up to 20% fine in training cost of monthly invoice.
- 5% fine will be imposed in the case of non-compliance of key indicators listed at 2,7,11 & 12 along with splitting/merging of classes.
- 2% additional fine will be imposed against each indicator if non-compliance of more than three below listed indicators are recorded.

Shift /Time changed unannounced, Unannounced trainer change, Maintenance of stipend register (If applicable), Provision of Consumables, Trainee ID card; Uniform; Stationery, Bags, Payment of stipend (If applicable), Study plan provision & contractual credit hours not being followed s

- Violation against Trainee ID card, uniform, stationary and bags will not be recorded in first month of training.
- No deductions against reported observations will be applied during the first invoice of training contract **(Except listed at 1, 2, 6, 9, 15)**
- In any given month, the financial deductions imposed will not exceed 20% of the monthly invoice for the class except observations listed at serial 1, 2, 6 & 9.
- In case of missing or unverified CNICs PSDF will withhold training cost of such trainees since inception. The same amount will be released only once PSDF receives valid CNICs for such trainees.
- Short Leave Rule; Upto 10% of enrolled trainees on visit day, however those trainees who were reported as marginal cannot avail short leave in subsequent month.
- Drop out allowance for any class is 20%.

#### Further Rules

1. Training service provider is required to start their classes as per the contract start date. No extra time will be given for trainee profile submission and inception reports (as specified in PSDF business rules). A minimum 40 days for mobilization after the signing of the contract will be given by PSDF. If there is less than 40 days mobilization time, TSP may be compensated to start the un mobilized class in next batch, approved by PD (Depends upon center capacity).
2. Stipend payments (If applicable) will be deducted in proportion to verification results run by call center agency while processing the final invoices.
3. Examination fee will be deducted on account of testing & certification in case of Fail, absent and drop out (after registration with PBTE) Trainee.
4. In case of international certification, the trainee has to qualify both theoretical and practical exam of both the modules, only then a trainee will be considered pass. Registration, testing and certification fee will be reimbursed upon successful passing of examination.
5. Training service provider is required to enter correct trainee data i.e. CNIC issue date and CNIC number. If TSP fails to follow the instructions the invoice will be released in next month.
6. In case training service provider entered wrong trainee data in MIS, no stipend will be released until the correct data is provided by TSP. In this case, the stipend will be released in next due disbursement cycle.
7. Stipend will not be disbursed to trainee holding B-form. It is mandatory for trainee to have a correct CNIC.
8. TSP can't enroll any trainee without valid CNIC issued by NADRA. No trainee can be enrolled based on B-form.
9. Every trainee must keep original CNIC with him during Third Party Monitoring visit. Trainee will be considered as "Absent" in case of non-availability of CNIC. "Marginal trainee rules" will be applicable on trainee if not found compliant with the requirement and considered as "**Expelled trainee**".

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<sup>5</sup> If compliance is less than 80% where applicable