

## BUSINESS RULES

### Industrial Program (Cost Sharing Schemes)

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 inspection is required before commencement of class/es.
- Two monitoring visit per month/class.<sup>1</sup>
- Post training employment verification for one months as per prescribed verification methodology.

Compliance Risk	No.	Key Indicators	Description of key indicator
<b>Centre Readiness</b>	1	Unannounced center relocation	The training center is relocated to a different site without prior approval from 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>2</sup>
<b>Trainee Selection Compliance</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 35 years by start 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.<sup>3</sup></li> </ul>
<b>Participation Compliance</b>	4	Marginal Trainee	<p>If class &gt; 1-month. Trainee will be considered as Marginal if not found in all visits of any given month.</p> <p>“For every marginal trainee regardless of the month an immediate deduction of Rupees 200 will be made from stipend.”</p> <p>Trainee will be considered marginal if not found in one visit of class &lt;=1 month.</p>

<sup>1</sup> Monitoring visits can be increased for any TSP based on risk assessment.

#### **Class > 1 month:**

##### <sup>2</sup>First month non-functionality:

If class is reported as non-functional in first visit for first month, payment will be made from second visit date. If class is reported as non-functional during both visits in first month, no payment will be made.

##### Second Month non-functionality:

If class is reported as nonfunctional in one visit out of two visits, 5% penalty will be imposed. If class is reported as non-functional in both visit in second month no payment will be made.

If class remains nonfunctional in first month and second month during all visits, class will be considered as cancelled.

**For courses <= 1 month** (If class is nonfunctional in first visit by TPM, payment will be made from second visit date. If class remains non-functional during all visits in a month, class will be considered as cancelled.

<sup>3</sup> If non-compliance on trainee induction criteria is identified by PSDF at any stage of training, entire training cost of such trainee will be deducted since inception.

	5	Confirmed Marginal (Drop out)	<p>Trainee marked absent in two consecutive months during TPM visits with course duration &gt; 1 months (Drop out).</p> <p>In case of duration &lt;= 1month, trainees remain absent in all visits will be dropped out.</p>
	6	Fake & Ghost trainee	<p><b>Ghost Trainee:</b> A trainee marked present and found absent in two <b>consecutive</b> visits (TPM monitors/ PSDF Officials). Below are the series of actions that will take place once a Ghost trainee is identified.</p> <ul style="list-style-type: none"> <li>• Identified trainee will be expelled from training and complete training cost of individual will be deducted since inception.</li> <li>• A maximum penalty of 20% training cost of class monthly invoice will be imposed and a warning letter will be issued.</li> </ul> <p><b>Fake Trainee:</b> A trainee whose physical verification through trainee Profile / trainee CNIC does not match with the present trainee during any monitoring visit by TPM Monitors &amp; PSDF officials. Below are the series of actions that will take place once a Fake trainee is identified.</p> <ul style="list-style-type: none"> <li>• Identified trainee will be expelled from training and complete training cost of individual will be deducted since inception.</li> <li>• Invoices for the month will be withheld until the completion of inquiry.</li> <li>• A maximum penalty of 20% training cost of class monthly invoice will be imposed and a warning letter will be issued.</li> <li>• If incident (identification of Fake trainee) occurs during any monitoring visit (monthly class visits/Examination visits) after 15 days of first occurrence by (TPM monitors/ PSDF officials) within same scheme, batch &amp; location then it will be considered as second occurrence.</li> </ul> <p>Based on second occurrence, the contract with the TSP in that particular scheme will be terminated and TSP will be declared ineligible to work with PSDF further in that particular scheme for one year (from date of second occurrence). The classes in progress will be completed and payments of TSP will be made after all necessary deductions after completion of inquiry. All new classes (Ready/Planned) within that scheme will be considered as cancelled.</p>
	7	Accuracy of attendance register (visit day)	<p>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.  e) Cutting/Overwriting/Interlineations/Blank Spaces observed in the Attendance Register.</p>

			All above scenarios (a, b, c, d, e & f) will be reported in trainee count. <sup>4</sup> f) Trainee attendance register is not available g) Register format not followed
	8	Physical Count	If the trainee's attendance is less than 70% of enrolled trainees (excluding dropouts) an amount shall be withheld using percentage point difference formula and is reimbursed if the attendance reaches 70% in subsequent month or forfeited if the attendance continues to remain below 70% <sup>5</sup>
	9	Any fee charged from trainees	The trainees report about payment of any kind of fee at any time during the training process
<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 monitoring firm will carry out this activity a maximum of two times after first month of class commencement.
<b>Qualitative Compliance</b>	11	Teacher Change	Will be recorded as serious violation without prior approval from PSDF and only allowed if qualification & experience is equal/higher than previously changed.
	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; <ul style="list-style-type: none"> <li>• 80% &amp; above verified; Full payment will be released.</li> <li>• If 50% - 79% verified: Proportional payments will be released as per the verification results.</li> </ul> If verified employment commitment remains less than 50% payment will be made to the number of verified employed trainees only. Note: The employment data will only be verified if submitted through Placement service Portal (PSP) from January 2020.
<b>Reporting Compliance</b>	15	Late submission of reports	2% fine will be applied on late submission of reports.
<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 training provider, 10% contractual training cost of cancelled classes will be deducted.
<b>TSP-TPM Collusion</b>	17	Establishment of Collusion	<b><u>On Event Report:</u></b> <ul style="list-style-type: none"> <li>• TSP will be enquired about the incident of any collusion in writing</li> <li>• Payments of all contracts will be withheld &amp; MIS access will be restricted until the outcome of inquiry</li> </ul> <b><u>1st Occurrence (collusion established)</u></b>

<sup>4</sup> Attendance will only be considered for those trainees whose trainee profiles are received and accepted by PSDF.

<sup>5</sup> The amount deducted will be seventy percent of trainees minus trainee's present, multiplied by training cost

		<ul style="list-style-type: none"> <li>• A penalty of 20% monthly training cost of all classes will be imposed</li> </ul> <p><i>Explanation: A penalty of 20% monthly training cost of all classes of that particular location/s (where collusion has been established) in all schemes will be imposed.</i></p> <ul style="list-style-type: none"> <li>• Warning Letter will be issued</li> <li>• Meeting with TSP about implications of re-occurrence of incident</li> <li>• TSP will terminate staff involved in collusion</li> <li>• TSP payments will be resumed after taking necessary actions</li> </ul> <p><b><u>2nd Occurrence (collusion established)</u></b></p> <ul style="list-style-type: none"> <li>• TSP Contract will be terminated and debarring for at-least one year</li> </ul> <p><i>Explanation: TSP Contract will be terminated for all schemes and debarring for one year (starting from date of collusion reported)</i></p> <ul style="list-style-type: none"> <li>• Active classes will continue, and their payments will be made accordingly after imposition of 20% penalty of training cost of all classes on monthly invoice</li> </ul>
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- Inquiry will be held in case of reported observations cited at serial no. 1,6,9,11 & 17. 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 & 12 along with splitting/merging of classes.
- 2% additional fine will be imposed if non-compliance of more than three below listed indicators are recorded.
- Shift /Time changed unannounced, maintenance of stipend registers if applicable; trainee ID card; uniform, stationery, Bags, payment of stipend (previous month- if applicable); provision of consumables, study plan provision & contractual credit hours not being followed <sup>6</sup>
- Violation against trainee ID card, uniform, stationery and bags will not be recorded during first month of training.
- No deductions against reported observations will be applied during the first invoice of training contract i.e. first month of contract **(Except listed at 1,2, 6,9,11,15 & 17)**
- 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, 6,9,11 & 17.
- 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; Up to 10% of enrolled trainees on visit day, however those trainees who were reported as marginal cannot avail short leave in subsequent month.
- Dropout allowance will be 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).
2. stipend payments (If applicable) will be deducted in proportion to verification results run by call center agency while processing the final invoices.
3. 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 payment will be released in next month.
4. 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.
5. Any kind of correction of trainee data (CNIC, Phone numbers etc.) needed for stipend disbursement will not be entertained after completion of class.
6. TSP can't enroll any trainee without valid CNIC issued by NADRA. No trainee can be enrolled based on B-form
7. 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".
8. Only IPS (Invoice Processing System) based invoices will be processed from January 2020 onwards.