COVID-19: skills sector impact

How should India respond?

April 2020

home.kpmg/in/COVID-19
Executive summary

COVID-19 – skills sector impact

The COVID-19 pandemic not only poses threat to the health and lives of millions around the world but also paves the way for systemic social and economic turmoil. While a substantial number of measures are being taken to curb the outbreak, it is imperative for the government to ponder upon and quickly chalk out a plan to minimise its aftereffects on the economy.

The disruptions are affecting the workforce across sectors. While people in critical sectors such as healthcare are overburdened with work, others in sectors such as tourism and hospitality are struggling to earn their livelihood. The manpower engaged across various sectors is exposed to a different set of challenges under the current circumstances and the recovery path for each sector is going to be different once life returns to normal, calling for a more tailored counter approach.

Our country’s skill development ecosystem is the backbone of tomorrow’s workforce. It not only provides for vocational trainings but also assures that the same is translated into meaningful employment through demand-supply mapping of skillsets across sectors. The current disruption has affected millions of trainees undergoing training in the long- and short-term skills ecosystems. At this juncture, it is important to assess how our broader skilling ecosystem is going to be impacted by the current crisis as well as carve out ways to bridge the void of lost learning hours. This collateral intends to provide insights on the overall impact of the crisis on skilling, how global economies are responding and a suggestive recovery roadmap.

This point of view captures three solutions that address the most critical roadblocks to skilling in India, especially in the post COVID-19 period. These solutions focus on ‘reprioritising skills sector’, ‘technology interventions for continuous learning’ and the key aspects of ‘financial management’.

The first solution, ‘reprioritising skills sector’, tries to address fluctuations in sectoral manpower requirements and skillsets post COVID-19. It also deals with corrective capacity planning and requirements over three phases. The second solution highlights the usage of technology across the skills value chain to minimise the outbreak’s impact and, at the same time, accelerate the recovery. It also provides an insight into technology-enabled solutions available in the market and the potential list of partners. The final solution provides recommendations around the need for financial planning, budgeting for upcoming skilling projects and critical areas that require stimulus.
Agenda

1. Context setting 01
2. Challenges due to COVID-19 in skills sector 02
3. Response and leading practices across the globe 03
4. Potential impact and response by the sector 04
5. Phase-wise roadmap for recovery from COVID-19 05
6. Proposed solutions for skills stakeholders 06
7. Stakeholder-wise recommendations 15
A pandemic is “an epidemic occurring worldwide, over a very wide area, crossing international boundaries and usually affecting a large number of people”

The COVID-19 pandemic has severely impacted the Indian economy

- **India’s GDP growth** forecast for the FY2020-21
  - Forecast decreased from 5.3 per cent from forecast in February 2020

- **Week-wise unemployment rate** Apr-2020
  - Four-fold jump in unemployment in India in Apr-2020 versus unemployment rate in February 2020

- **Vulnerable employment vs. total employment**
  - Workers that classify themselves as own account workers or contributing family workers and less likely to have formal work arrangements

**Workforce impact across sectors** (next 4 to 12 months)

**High Impact**
- Aviation
- Tourism and Hospitality
- Transport and Logistics
- Construction and Engineering
- Consumer durables and Electronics
- Textiles and Apparel
- IT and Telecom
- Automobiles and Auto components
- Financial services sector
- Agriculture and Horticulture
- Healthcare and Pharmaceutical

**Low Impact**

COVID-19 has led to more than 30,000 Industrial Training Institutes (ITIs), National Skill Training Institute (NSTIs), training centres temporarily suspending operations and impacting more than 50 lakh candidates in India.

It is imperative to address workforce-related challenges across the sectors (both worst-hit as well as high growth).
Challenges due to COVID-19 in skills sector

**Envisaged challenges**

- **Mobilising candidates** post migration due to COVID-19 lockdown
- **Low institutional capacity** – not in line with increased requirements to meet training targets in next quarters
- Limited availability of **IT infrastructure** for conducting online training
- **Reduced debt serviceability** of skills service providers
- **Expediting disbursements** to relevant stakeholders to ensure liquidity and continuity in the system
- **Reduced or diminishing CSR funds** for skill-development initiatives
- **Lack of employment and apprenticeship opportunities** due to deferment of recruitment by industry

**Key announcements**

- **Full stipend for 2.4 lakh apprentices** during lockdown period with an overall planned outlay of INR 36 crore by Ministry of Skill Development and Entrepreneurship (MSDE)
- **Introduction of virtual classrooms and promotion of e-learning** in schools in disadvantaged and inaccessible places by the Department of Education, of one of the largest Indian states
- **33 National Skill Training Institutes** under Directorate General training proposed to be used as **quarantine centres**
- **Extension of training batches** for enrolled candidates for National Skill Development Corporation (NSDC) courses on Skills India Portal
- **Limited availability of IT infrastructure** for conducting online training
- **Reduced or diminishing CSR funds** for skill-development initiatives
- **Lack of employment and apprenticeship opportunities** due to deferment of recruitment by industry
- **Reduced debt serviceability** of skills service providers
Response to COVID-19 across the globe

Key takeaways

- Massive increase in LMS and synchronous video usage
- Increasing adoption of online and digital modes of education
- Government providing back up funding to maintain learning continuity
- Deeper focus on completing classroom learning hours for apprenticeship trainees
- Established tracking systems helping service providers to monitor students concurrently.

France
- Learning Nation label created and broadcast on TV to promote skill development
- Counselling telephone cells for parents of students
- Facilitating prompt reallocation of employment to essential activities during the emergency.

U.K.
- Funds under Innovate UK to be utilised
- Launched COVID-19 self-employment income support scheme to support apprenticeship and grant payout
- New session plan to be released by quarter end
- Special attention to job-creating sectors

U.S.
- Created core skill community to identify upcoming high-growth sectors
- Commissioning a nationwide reserve of laptops and tablets for future crises
- Announced USD 6 billion of education emergency relief
- Outreach, prevention, education and non-discrimination (OPEN) guidelines for education sector stakeholders

China
- Rope in telecom service providers to strengthen broadband connectivity for online education
- Stimulus funding for trainings in healthcare and allied sectors
- Loan staffing of workforce in cross-sectors

Phillippines
- Launched COVID-19 Adjustment Measures Program (CAMP) under the Department of Labor and Employment for financial aid
- Immediate release of Performance-based bonus
- ₱3 billion for up and reskilling of people

Singapore
- Publicised Student Learning Space, an online learning portal
- Aviation sector started home-based learning on new technologies
- Tapping demand for IT roles (developers, systems analysts etc.)
- Skills stimulus package of USD4 billion.
- Preparing a Learning Continuity Plan (to cover up lost time).

Australia
- Taskforce to monitor the impact
- Cash injections, communication and collaboration to stabilise vocational sector
- Wage subsidy up to 50 per cent to apprentices.

Key takeaways

- Massive increase in LMS and synchronous video usage
- Increasing adoption of online and digital modes of education
- Government providing back up funding to maintain learning continuity
- Deeper focus on completing classroom learning hours for apprenticeship trainees
- Established tracking systems helping service providers to monitor students concurrently.
Potential impact and response by the sector

**Impact on stakeholders**

- Estimated **revenue loss** for Training Partners (TPs) (loss of training revenue under short-term training)
- Estimated **Excess Interest TPs may accrue** by availing of relief (RBI’s regulatory relief option)
- **Assessment and certifications impacted deferred** for Directorate General of Training (DGT), National Skill Development Corporation (NSDC)
- **Loss for assessment agencies** under various Ministry of Skill Development and Entrepreneurship (MSDE), projects/ schemes
- **Placement loss for candidates** who could join the workforce (placements deferred / cancelled)

**1 Month**
- ~INR 406 crore
- ~INR 8 crore
- ~3 0 lakh
- ~2.1 lakh

**2 Month**
- ~INR 812 crore
- ~INR 16.5 crore
- ~35 lakh
- ~4.2 lakh

**3 Month**
- ~INR 1218 crore
- ~INR 24.5 crore
- ~40 lakh
- ~6.3 lakh

**Industry has started to respond**

- Online certification courses across technology, data analytics, and finance by a NSDC partner.
- Announcement of INR500 crore investment by one of the largest Indian companies in Edtech space
- Online training for BFSI, Retail, Telecom, Beauty and Wellness and Healthcare courses by one of the largest funded Training organisations
- Free / discounted courses by online e-learning platforms
- An Indian subsidiary of a leading Swiss-Swedish corporation provided curriculum for new age job roles
- Introduction of online allied healthcare courses by a leading healthcare provider
Phase-wise roadmap for recovery from COVID-19

1. During Lockdown
   - Robust communication plan to promote new initiatives, support mobilization, placements etc.
   - Empowering Third Party Aggregators to enhance mobilization and prevent dropout of apprenticeship
   - Impact evaluation of steps taken at policy level during lockdown phase and fine tune them basis feedback
   - Developing an Upskilling or Re-skilling plan to address aspirations and realignment of candidates for jobs in growth sectors.

2. Recovery Phase post the lockdown
   - Identification of sectors impacted by COVID-19 which would require realignment of the demand-supply mapping, identification of new job roles, new entrepreneurship opportunities
   - Provision of financial aid in terms of Grants, soft loans, stipends and fast tracking of existing payment dues to training partners and trainees
   - Identification of partners for online platform for training and assessment of the trainees
   - Counsellors need to be onboarded to counsel trainees, apprenticeship and trainers to advise and guide them during the crisis
   - Set up and implement business continuity plan and COVID-19 task force
   - Extension of current phase of existing projects like National Apprenticeship Promotion Scheme (NAPS) 1.0, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2.0 and similar skilling schemes.

3. Future Plans
   - Scale up skills ecosystem with robust online learning Infrastructure, question bank and online assessments
   - Creation of funds for priority sectors and geographies impacted by COVID-19
   - Implementing skills training that can be acquired remotely with usage of innovative education models
   - More virtual centers with use of artificial intelligence (AI), machine learning (ML), augmented reality (AR), virtual reality (VR) to be accredited and operationalized
   - Next phase of Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Apprenticeship Promotion Scheme (NAPS) and other skills projects to be launched.
Overview of proposed approaches to respond to COVID-19 related skilling challenge in India
Re-prioritizing Skill Initiatives (1/3)
Skill capacity planning for improving workforce resilience and accelerated recovery

Need for Reprioritization
The current situation is not only affecting students enrolled across the vocational education ecosystem but also the existing workforce at large posing a new set of issues and challenges.

These challenges include the following.–
1. Sectoral impact on growth and manpower requirements across sectors
2. Job losses due to business disruption and its ripple effects leading to slowdown
3. Surge in manpower requirements across critical sectors including healthcare and pharmaceuticals, logistics and food processing

At this juncture it is essential for improving the resilience of the exiting workforce against distresses in sectoral growth as well as re-align our skilling efforts to minimize the demand-supply mismatch of manpower.

Solution

Package 1.
Re-assessment of sectoral manpower requirements (Bridge Study) i.e. anticipated surge/ dip, top sectors and job roles

Package 2.
Detailed capacity planning for ITI, Govt Sponsored Schemes and RPL

Package 3.
Phase wise recommendations or intervention plan

Phase Objectives
• Immediate: workforce to tackle COVID-19 crisis and accelerate recovery
• Mid-term: upskill/ cross-skill workforce for slowdown
• Long-term: getting workforce ready for high growth sectors post recovery

Indicative Interventions

Lockdown Phase
Identification of critical sectors and job roles, existing capacity and mismatch

Slowdown Phase
Identification of volatile sectors and job-roles likely to observer higher unemployment rate

Recovery Phase
Develop new manpower estimates for recovering sectors. Re-visit training capacities to cater post slowdown demands

Normalcy Phases
Accelerated sectoral training plan to meet industry demand during recovery phase and compensate for lost training

• Fastrack training of staff in critical sector through online modules or recognition of prior learning RPL
• Develop upskilling/ cross-skilling modules for handling COVID-19 such as housekeeping (tourism) to quarantine facility manager (healthcare)
• Development of up-skilling / top up modules such as Mobile application development for IT employees (mobile application development likely to see surge with increases in online purchases)
• Reduce training targets/ capacities in low-employment sectors and job roles and vice-versa
• Promoting skills that can be acquired remotely
• Increasing training targets (in government schemes) across recovering sector, as well as sectors that stimulate growth and recovery such as automotive, capital goods, construction, and financial services
• Develop comprehensive upskilling plan for export oriented sectors and job-roles.
**Reprioritizing Skill Initiatives (2/3)**

**Focus Sectors, Skilling Requirements and Emerging Jobs**

### Healthcare

**Sector Synopsis**
- Major non-essential treatment and procedures stalled due to COVID-19 risks, focus on paramedical and pharmaceutical sub sectors
- The COVID-19 threat has highlighted gaps in healthcare infrastructure and is likely to result in increased Government and private sector investment in the sector leading to more jobs. Increased focus on diagnostics and preventive healthcare.

**Job creation potential:** HIGH

**Emerging and High Potential Jobs (Short-Long term)**
- Quarantine Facility Management
- Emergency Medical Technician
- Medical Laboratory Technician
- General Duty Assistant
- Mental Health Counsellors
- Nutritionist and Diet Assistant (immunity counselling)

### BFSI

**Sector Synopsis**
- Low Debt Serviceability of borrowers, surge in insurance claims as well as purchase of new health insurance, surge in debt restructuring, Increased cost of capital, depleted access to capital markets, liquidity challenges, cybersecurity and phishing threats
- Reskilling may be required for investment products sales agents to focus on insurance, upskilling requirement in online banking.

**Job creation potential:** MEDIUM

**Emerging and High Potential Jobs (Short-Long term)**
- Insurance Sales
- Debt Recovery Agent
- Life Insurance Agent
- SME Lending
- Online Banking Executive
- Forensics and Cybersecurity Experts.

### Telecom

**Sector Synopsis**
- Handset and network equipment manufacturing disruption initially, high data demand in remote working scenario to drive growth in telecom and broadband services
- High expected demand for handsets and network devices once manufacturing resumes owing to device upgrades and increased expenditure on affordable luxury items such as mobile phones

**Job creation potential:** MEDIUM

**Emerging and High Potential Jobs (Short-Long term)**
- Field Maintenance/ Transmission Engineer
- Sales Executive (Broadband)
- Customer Care Executive
- Optical Fiber Technician
- Handset Repair Technician

### Construction and Real Estate

**Sector Synopsis**
- Stalling of projects may lead to operational losses and liquidity crunch. Mid-term to long term growth to be mostly driven by Government spending on infrastructure projects.
- Labour force migration to affect the supply and completion of stalled projects and sector recovery post lockdown phase. Manufacturing and installation of prefabricated structures may see surge and need up- skilling.

**Job creation potential:** LOW

**Emerging and High Potential Jobs (Short-Long term)**
- Sanitization job roles in construction sites
- Labour Safety inspectors
- Smart machines installers (IoT product installation in New Buildings)
Reprioritizing Skill Initiatives (3/3)
Focus Sectors, Skilling Requirements and Emerging Jobs

Transport and Logistics

**Sector Synopsis**
- Production interruption and reduced freight volumes to result in job losses across logistics and allied activities such as warehousing, C&F, and distribution. Recovery/spike post lockdown phase.
- Transport to recover post lockdown phase, however reduced day to day travels and tourism to result in slow recovery. Last Mile Delivery to be key focus area owing to increased adoption of on door delivery of good and services during lockdown phase (surplus workforce could be re-skilled and deployed).

**Emerging and High Potential Jobs (Short-Long term)**
Shipment/Consignment Management, Last-mile delivery executive, Inventory Management/Inventory Clerk.

IT, ITES and BPO

**Job creation potential: MEDIUM**

**Sector Synopsis**
- IT services predominantly ‘development’ to be impacted due to IT related cost cutting in Financial Services and other sectors. Re-skilling, up-skilling to be critical in job retention enabling existing workforce to work on wider set of technologies.
- With surge in remote working usage of remote connectivity tools, and Networking to see surge in demand. Mobile application development, Media Development and BPO to see growth with increase in online purchase activity.

**Emerging and High Potential Jobs (Short-Long term)**
Networking Engineer, UI Developer, Android/iOS Developer, Domestic IT helpdesk Attendant, Media-Animation Developer, CRM Domestic Voice.

Some of the other focus sectors that might witness significant change in workforce requirement, composition, or might need attention include:

- **Education and Skill Development**
- **Tourism and Hospitality**
- **Media and Entertainment**
- With online/web learning getting prevalent and emerging as only viable option during the lockdown phase, this mode of learning may see rapid adoption through normalcy phase and may lead to sector reform

- **Tourism and Hospitality** is one of the worst hit sectors during the lock down phase, and likely to follow slow recovery path to normalcy. It is critical to understand upskilling and re-skilling requirement of work force in this sector e.g. housekeeping staff could be upskilled for hospital or quarantine zone management, OR staff involved in service of food and beverages can be re-skilled for last-mile delivery

- **Media and Entertainment** is another sector that may see reforms with changing viewership patters as people move to on-demand content, changing delivery platforms from DTH, and large requirement in content development including educational content

- While there is lot of emphasis on skilling, it is important to understand changing economic and sectoral requirements triggered by COVID-19 and realign our skilling efforts

- More emphasis should be given on up-skilling/re-skilling so as to immune our workforce from job losses triggered by slowdown or reduced economic activity. A comprehensive plan for the same needs to be sketched out.
**Education + Technology-focused approaches can minimize impact of Covid-19 across skills value chain (1/2)**

<table>
<thead>
<tr>
<th>Objective(s)</th>
<th>Details</th>
<th>Target users</th>
</tr>
</thead>
</table>
| Upskilling students to respond to COVID-19        | • Online discovery platforms for accessing modular skilling content (skilling courses, e-books, searching trainers) related to essential services such as COVID-19 healthcare workers, quarantine facilities workers and essentials delivery partners  
• MOOCs for training delivery and Online tutoring – for online face to face skilling programs focused on the COVID-19 response | 1 lakh+ trainees |
| Fast track assessments for COVID-19 response      | • Fast track tech based assessment related to trades/courses with special focus on courses related to essential services such as quarantine facility construction workers, security guards, healthcare workers and essentials delivery workers  
• Advanced solutions that combine adaptive testing with behavioral analysis in long term | 70,000+ trainees |
| Learning Continuity of existing students         | • Teacher training solutions for self or (real-time) aided learning by utilizing services of master trainers and assessors  
• Interactive (live streaming) and static (recorded video lectures) to be made available for ITI/NSTI/PMKVY students by ITI/NSTI trainers | 80,000+ trainers |
| Bandwidth light Teaching aids                    | • Support development of bandwidth-light digital learning systems that run on low or intermittent bandwidth.  
• Classroom or other instructional aids such as smart boards, AR/VR headsets, class pads, projectors, displays  
• Online facilities storing, managing and sharing curriculum, lesson plans, learning material, student scores etc. | 30,000+ Centers |
| Online industry connect & skilling Management tools | • Video-interviewing and remote connection facilities for industry connect initiatives, placement, apprenticeship and OJT  
• Classroom management and productivity enhancement tools; may link teacher, student and parent through a digital information loop | 4 lakh+ apprentices |
| Remote Career Guidance/ Counselling               | • Online portal/helpline where youth can enquire about in demand skills and how they can be acquired.  
• Career guidance tests and reports – skill based, stream selection, ideal career, aptitude  
• Personal mentoring and counseling services, including psychological counseling | 60 lakh+ trainees |
Leverage partnerships to achieve immediate results and ensuring strengthened capacity in long term (2/2)

<table>
<thead>
<tr>
<th>Solution</th>
<th>Key decision making stakeholders</th>
<th>Key implementation Partners</th>
<th>Immediate impact</th>
<th>Medium Term – Long Term Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upskilling students to respond to COVID-19</td>
<td>Directorate General of Training (DGT), National Skill Development Corporation (NSDC)</td>
<td>Curriculum development partners, instructional media and content providers – both government and private players</td>
<td>Upskilling housekeeping staff for healthcare related hygiene, construction workers to convert existing facilities into quarantine facilities and drivers to deliver essentials</td>
<td>Up SKilling students to implement social distancing measures across businesses like infrastructure modifications during partial lockdown</td>
</tr>
<tr>
<td>Fast track assessments to respond to COVID-19</td>
<td>Directorate General of Training (DGT), National Skill Development Corporation (NSDC), State Skill Development Missions/ State Technical Directorates, SSC</td>
<td>Sector Skill Councils (SSCs) and Assessment Agencies</td>
<td>Fast track transition of trained students as corona warriors for capacity enhancement</td>
<td>Ensuring gradual start of classes with focus on practicals</td>
</tr>
<tr>
<td>Learning Continuity of existing students</td>
<td>Directorate General of Training (DGT), National Skill Development Corporation (NSDC), State Skill Development Missions/ State Technical Directorates</td>
<td>National Instructional Media Institute (NIMI), National Skill Development Corporation (NSDC)</td>
<td>Theoretical part of the course can be covered, thus minimizing impact on academics</td>
<td>Ensuring students can access learning material from the comfort of their place to ensure minimum number of students required in every batch</td>
</tr>
<tr>
<td>Bandwidth light Teaching aids</td>
<td>Industrial Training Institutes (ITIs), National Skill Training Institute (NSTIs), skilling partners</td>
<td>Instructional media and pedagogy related tool providers</td>
<td>Capacity enhancement of MSMEs that require a workforce to enhance production capacity for COVID-19 essentials</td>
<td>Assisting students to join the workforce on priority basis once the lockdown opens up</td>
</tr>
<tr>
<td>Online industry connect and skilling Management tools</td>
<td>Industrial Training Institutes (ITIs), National Skill Training Institute (NSTIs), skilling partners</td>
<td>Collaboration software developers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remote Career Guidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Enable students to enquire about in demand skills and how they can be acquired.
Financial planning for large-scale skilling initiatives (1/3)

Why is this approach required?

- Revised budget and scheme planning (PMKVY 3.0, NAPS 2.0 etc.) basis change in demand patterns across service and manufacturing sectors (including reallocation of skilling targets and associated payouts)
- Envisaged delay of 60-75 days in utilization of quarterly budgets and exceeding subsequent planned expenditure(s)
- Expectations from skills stakeholders (both govt. and private service providers) to provide them access to additional grant funding or short-term relief packages owing to the lockdown and temporary shutting down of skilling businesses

It is important to systematically diagnose, plan, implement and monitor revised budget allocations...

What is the solution?

- Diagnostic, Funding and Headroom analysis: 1-2 weeks
- Crisis cash management and Working capital interventions: 2-3 weeks
- Project / Scheme budgeting and allocation of funds: 1-2 weeks
- Capacity building of staff, monitoring and control: 2+ weeks
Financial planning for large-scale skilling initiatives (2/3)

Diagnostic, funding and headroom analysis:
- Agile analysis of financial statements and ministerial requirements
- Assess available funds and budget allocations (scheme, non-scheme)
- Evaluate headroom and bottlenecks for utilization of funds
- Establish income-expenditure plan and annual forecasting model – PMKVY 3.0 and NAPS 2.0 projects

Crisis cash management and working capital interventions:
- Remove or defer unnecessary costs
- Identify quick wins and implement rapid cost reduction
- Scenario analysis basis forecasting model
- Review vendor contracts and payment terms
- Revisit common cost norms and linked payouts

Skills project or scheme budgeting and allocation of funds:
- Readjustment of funding allocation to promote platform or tech-based skills delivery
- Payouts under skilling projects upon 100% completion

Critical activity for PMKVY 3.0 and NAPS 2.0
Capacity building of staff members, Monitoring and control measures
## Financial planning for large-scale skilling initiatives (3/3)

<table>
<thead>
<tr>
<th>Finance related support and impact</th>
<th>How will it work</th>
<th>Key considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiary aid</strong>&lt;br&gt;Initiate trainings of 40-50K students</td>
<td>• Funds to be released to NSDC / banking institutions at subsidized rates, to be further passed on to the students&lt;br&gt;• Students to repay along with nominal interest component upon successful placements</td>
<td>• Trainee enrolment via Vidya Kaushal / DGT portal&lt;br&gt;• Due diligence of candidate profile in 15 days&lt;br&gt;• TPs to popularize the benefits to students&lt;br&gt;• Loans only for NSQF aligned trainings under non-stress accounts</td>
</tr>
<tr>
<td><strong>Funding assistance for skill businesses</strong>&lt;br&gt;Inject liquidity in skills ecosystem to support skill service providers ensuring continuity of skilling initiatives</td>
<td>• Expediting tranches for batches enrolled for and early clearance of past dues (~INR 250 Cr.)&lt;br&gt;• Temporary increment to common norms (1.5X)&lt;br&gt;• Cost for conducting online training (~INR 50 Cr.)&lt;br&gt;• Relief package for bailing out stressed accounts due to COVID-19 (INR 25 Cr.) ~2-3% additional NPA estimated post crisis</td>
<td>• Relaxation of minimum attendance requirement for Tranche 1 to be explored&lt;br&gt;• Increase in common norms for defined period only&lt;br&gt;• Changes to the process-flow and guidelines skill projects to allow online trainings&lt;br&gt;• Early identification and establishment of accounts going under stress due to COVID-19</td>
</tr>
<tr>
<td><strong>Fund for digital interventions</strong>&lt;br&gt;Incubation of scalable and tech-enabled skills models</td>
<td>• Funding support for development of robust digital models across skills value chain - Training Delivery, Assessment and Placement</td>
<td>• Models to be shared with other service providers basis a Tripartite MoU&lt;br&gt;• The availability of digital models to ensure quick adaptation and usage for skilling initiatives</td>
</tr>
<tr>
<td><strong>Budgeting for MSDE to expedite planned initiatives</strong>&lt;br&gt;Ensuring fund availability and access for launching planned initiatives</td>
<td>• Assessment of funds available and upcoming allocations (income-expenditure analysis)&lt;br&gt;• Dedicated funding of INR 250 Cr. for ensuring uninterrupted launch of pilot phases of NAPS 2.0 and PMKVY 3.0</td>
<td>• Contracts issued by MSDE&lt;br&gt;• Directives from GoI on budget utilization&lt;br&gt;• Private sector / CSR funds availability&lt;br&gt;• Development of scheme guidelines&lt;br&gt;• Approval by cabinet for launching of initiatives</td>
</tr>
<tr>
<td>Stakeholder(s)</td>
<td>Key action points</td>
<td>Which solution may be leveraged</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------</td>
<td>---------------------------------</td>
</tr>
</tbody>
</table>
| Ministry of Skill Development and Entrepreneurship (MSDE) and National Skill Development Fund (NSDF) | • Revised outcomes of upcoming projects (PMKVY 3 and NAPS 2) basis change in sectoral demand and impetus for digital mode of trainings including revision in common cost norms  
• Short term financial aid for skill businesses, beneficiaries and tech-enabled skill solutions  
• Robust communication strategy addressing stakeholders regarding readiness of Govt. | • Assessment of financial risks and budget planning  
• Skills and sector realignment  
• Leverage partnerships |
| National Council for Vocational Education and Training (NCVET) | • Fast track approval of QPs related to new job roles and conditional approvals for RPL focused job roles  
• New assessment framework and launch of new job roles in sectors of higher demand | • Leverage partnerships  
• Skills and sector realignment |
| Directorate General of Training (DGT) | • Study on reverse migration and launch short term courses in line with matching the demand & supply requirements  
• Development of courses in blended mode leveraging e-content and e-learning  
• Development of online training content for trainers  
• Identify & launch QP new job roles for upcoming NAPS 2.0 | • Focus Sectors, Skilling Requirements and Emerging Jobs  
• Leverage partnerships  
• Tech-enabled solutions |
| National Skill Development Corporation (NSDC) | • Work with affiliated TPs to handhold them in business operations and other capacity building measures  
• Launch of tech platforms to promote digital ways of learning and introduction of e-content  
• Constant monitoring and reporting along with change management, publish thought leadership reports on impact | • Skills and sector realignment  
• Tech-enabled platforms  
• Financial management |
# Stakeholder wise recommendations (2/2)

<table>
<thead>
<tr>
<th>Stakeholder(s)</th>
<th>Key action points</th>
<th>Which solution may be leveraged</th>
</tr>
</thead>
</table>
| State Skill Development Missions/State Technical Directorates                | • Skills planning for priority sectors and especially in worst hit areas, introduce financial aid and manage risks  
• Enable digital modes of training and support mobilization of candidates           | • Focus Sectors, Skilling Requirements and Emerging Jobs                                                                                                     |
| Students / Beneficiaries                                                    | • Avail of digital modes of training opportunities to utilize the lockdown period effectively  
• Join back training Institute or OJT immediately after lockdown in revoked | • Avail financial support                                                                                                                                 |
| Assessment Bodies                                                            | • Assessment to be fast track (>90%) technology based to address remote assessments                                                                                                                                  | • Technology focused solutions                                                                                                                                    |
| Content providers                                                            | • Create digital content for all job roles including the upcoming ones with open access  
• Include simulation and AR/VR experience especially for manufacturing job roles    | • Technology focused solutions                                                                                                                                    |
| Technology platform providers                                                | • Framework to implement online education across skilling ecosystem, with open access  
• Tie up with MSDE, NSDC and DGT to promote online learning                                | • Education + Technology focused solutions                                                                                                                      |
| Industrial Training Institutes (ITIs), National Skill Training Institute (NSTIs), skilling partners | • Tracking and assisting students to complete trainings on priority basis once the lockdown opens up  
• Prepared revised training plan considering factors such as digital mode of trainings, social distancing etc;  
• Establish concrete employer linkages, aggregate demand and report to NSDC for realignment of target allocation | • Leverage partnerships  
• Training delivery planning  
• Candidate life-cycle management                                                                                                                               |
Footnotes

3. KPMG in India Analysis
4. Week-wise unemployment rate, Centre for Monitoring Indian Economy (CMIE), Apr 2020
5. GI Maharashtra education department begins rolling out e-learning content for classes 1 to 9, Hindustan Times, April 13, 2020
   National Skill Training Institutes to be used as Covid-19 quarantine centres, India Today, March 30, 2020
   2.43 lakh apprentices to get stipend during lockdown period, The Economic Times, April 02, 2020
   Apprenticeship Grant Opportunities, U.S. Department of Labor, 18th Feb 2020
7. In the wake of COVID-19, UK puts up £20M in grants to develop resilience tech for critical industries, Ingrid Lunden, 3rd April 2020
   Claim a grant through the coronavirus (COVID-19) Self-employment Income Support Scheme, GOV.UK, HM Revenue & Customs, 26th March 2020
8. How is China ensuring learning when classes are disrupted by coronavirus?, UNESCO Status Report, 19th Feb 2020
9. Educational continuity: devices and tools to mobilize schools, teachers and families, Ministry of Education
10. Supporting students on Leave of Absence, Schoolbag (The Education news site), 10th Feb 2020
    DepEd still deliberating on opening of classes in June amid COVID-19, Inquirer.Net, Christia Marie Ramos, 9th April 2020
12. Supporting apprentices and trainees, Business.gov.in, Supporting apprentices and trainees, 2nd April 2020
13. KPMG in India Analysis
14. KPMG in India Analysis, E-learning platform Imarticus launches NSDC approved courses for professionals amid lockdown, The Hindu, April 03, 2020
    Reliance Industries invests Rs 500 Cr in edtech startup Embibe, yourstory.com, April 06, 2020
    ABB India partners with NASSCOM for standardised qualification for IoT jobs, The Economic Times, April 06, 2020
15. KPMG in India Analysis
16. KPMG in India Analysis
Acknowledgements

**Authors:**
Narayanan Ramaswamy
Madhavan Vilvarayanallur
Debabrata Ghosh
Ashish Katiyar
Ashish Maheshwari
Krishna Prakash Singh
Deewakar Gupta
Akshay Bhatia
Mrityunjay Arya
Jayant Srivastava

**Production team:**
Rahil Uppal
Darshini Shah
Nisha Fernandes
Satyam Nagwekar