

Report on Third Party Evaluation Study of the Assistance to Training Institutes (ATIs)



Submitted to

Ministry of MSME

Kartavya Bhawan Building 03

Kartavya Path

New Delhi – 110001



Submitted BY

Indian Institute of Public Administration

I. P. Estate, Ring Road

New Delhi – 110003



Report on Third Party Evaluation Study of Assistance to Training Institutes (ATIs) Scheme



Submitted to

Ministry of Micro, Small and Medium Enterprises

Project Coordinators

Prof Suresh Misra, Principal Investigator
Dr. Amit Kumar Singh, Co- Principal Investigator

Research Officers

Ms. Harsh Dhingra, Research Officer
Mr. Pankaj Singh, Research Officer
Ms. Sher Bano, Research Assistant

Submitted by



Indian Institute of Public Administration
Indraprashta Estate, Ring Road, New Delhi

Chapter I

1. Executive Summary

The **Assistance to Training Institutions (ATI) Scheme**, implemented by the Ministry of Micro, Small and Medium Enterprises (MoMSME), is a flagship initiative aimed at strengthening the entrepreneurship and skill development ecosystem in India. It provides financial assistance to training institutions under Ministry of MSME viz ni-msme, NSIC Training Centres, Tool Rooms/Technology Centres etc. and state-level training institutions including Entrepreneurship Development Institutes (EDIs) and DICs located in North-East and Eastern States—for infrastructure creation, capacity building, and delivery of training programmes. The scheme is closely aligned with the Government of India’s broader agendas of **Atmanirbhar Bharat, Skill India, and Viksit Bharat @2047**, while supporting several **Sustainable Development Goals (SDGs)**, notably SDG 4 (Quality Education), SDG 5 (Gender Equality), and SDG 8 (Decent Work & Economic Growth).

Objectives of the Evaluation

This third-party evaluation was commissioned to comprehensively assess the relevance, effectiveness, efficiency, equity, and sustainability of the ATI Scheme. The key objectives were to:

- Assess the effectiveness of ATI-supported training institutions in achieving scheme outcomes.
- Evaluate cost–benefit and return on investment of infrastructure and training interventions.
- Examine employment outcomes (wage and self-employment) and entrepreneurship generation among beneficiaries.
- Analyse inclusiveness with respect to **gender, SC/ST, minorities, PwDs, and rural outreach**.
- Review institutional capacity, infrastructure utilization, and training quality.
- Identify key **implementation bottlenecks** and recommend **policy and operational improvements**.

- Suggest **new and emerging skill** areas for inclusion, modifications in scheme design, and improved fund flow and monitoring mechanisms.

Evaluation Methodology

A **mixed-method approach** combining quantitative and qualitative techniques was adopted to ensure robust findings.

- **Sample Coverage:** The evaluation covered 854 respondents across nine states (Delhi, Haryana, Uttar Pradesh, Bihar, Jharkhand, Assam, Tripura, Gujarat, Telangana, and Kerala) representing beneficiaries (632), trainers (72), heads of institutions (12), industry partners (26), and non-beneficiaries (112).
- **Tools Used:** Structured questionnaires, key informant interviews, focus group discussions (FGDs), and infrastructure observation checklists were used.
- **Secondary Data:** Scheme guidelines, MIS data, budgetary allocations, and earlier evaluation studies were reviewed to triangulate findings.

This approach ensured **representation of diverse regions and stakeholders**, including coverage of **North Eastern States (Assam, Tripura)**, which are critical for regional equity and inclusion.

Key Findings:

- **Infrastructure & Institutional Strengthening:** ATI-supported institutes possess **strong basic infrastructure (100%)**, have **lecture halls**, separate toilets, and first aid kits. **Over 90% have smart classrooms, labs, libraries**, and reliable electricity. However, **barrier-free access for Divyangjan is available in only 55%, highlighting inclusivity gaps.**
- **Training Delivery & Participation:** Between 2022–2024, over **5,300 trainees** were trained across surveyed institutes, with a sharp rise in 2024, reflecting improved outreach and demand. **The top 10 most sought-after courses** include fashion designing, beautician/beauty & wellness, food processing, computer applications, accounting with Tally & GST, graphic designing, solar PV installer training, and emerging IT courses like Python & Machine Learning.

- **Employment & Entrepreneurship Outcomes:**
 - **53.7% of beneficiaries** are gainfully employed (24.3% wage-employed and 29.4% self-employed), while 6.9% are apprentices preparing for future careers.
 - **Income Gains:** Average post-training monthly income is ₹14,000, with higher earnings reported in industrially advanced states like Telangana and Gujarat
 - **Entrepreneurship creation is visible** in sectors like apparel, beauty & wellness, food processing, and IT, suggesting the scheme is a **significant contributor to local economic development.**
 - **Entrepreneurship Outcomes:** Significant numbers of beneficiaries have started micro-businesses in tailoring, beauty services, food processing, and IT-enabled services, contributing to local economic development and job creation for others.

- **Regional Coverage and North-Eastern Status:**
 - Implementation in the **North Eastern Region (NER)**—particularly in Assam and Tripura—**has improved**, but **overall coverage remains lower compared to other zones** due to limited institutional capacity and delayed proposal submissions.
 - **Strengthening NER participation** through capacity building, dedicated funding windows, and awareness campaigns is necessary to **ensure balanced regional development.**

- **Inclusiveness:**
 - **Female participation:** 59.8% overall, higher in Gujarat (95%), Assam (86%), Tripura (84%), and UP (66%).
 - **Marginalized groups:** 68.7% beneficiaries belong to economically weaker sections; 25.5% are SC, 10% ST, and 2.7% Divyangjan.

- Despite good gender balance, some states like Jharkhand and Bihar reported lower female participation, suggesting a need for targeted outreach.
- Additional focus is needed on mobilizing PwDs and women from aspirational districts for equitable access.
- **Industry Linkages & Placements:**
 - 89% institutes involve industry in curriculum design and placement efforts.
 - Internships/apprenticeships are offered in 78% of institutes, but coverage needs strengthening for better on-the-job exposure.
- **Challenges Identified:**
 - Shortage of trainers in specialized areas.
 - Lack of soft skills training and inadequate post-training support for entrepreneurship.
 - Delays in fund disbursement (proposals submitted in April, funds released as late as August).
 - Limited awareness among potential trainees in rural and aspirational districts.
- **Recommendations**
 - **Infrastructure Development and Budget Enhancement:**
 - Increase ATI Scheme's annual budget to **₹100 crore**, with **70% for infrastructure and 30% for training**.
 - Adopt a **sector- and region-specific infrastructure strategy**, aligning with each state's industrial profile (e.g., renewable energy in Gujarat, food processing in UP, bamboo and coir in NER).
 - Given inflation, rising infrastructure costs, and evolving technology, **funding for State EDI training institutions** in East and North-Eastern states should increase from **₹3 crore to ₹4–5 crore**, fostering growth.

- Ensure **construction-linked fund** release and strict timelines to prevent cost overruns.
- **Strengthen Institutional Monitoring and Accountability**
 - Introduce **real-time monitoring systems** (Aadhaar/face-recognition attendance, live web sessions).
 - Conduct **surprise inspections** annually and **quarterly virtual reviews** by MSME officials.
 - Require institutes to submit **trainer credentials (CVs, ToT certifications)** and ensure NSQF compliance.
- **Curriculum & Training Reform**
 - Redesign training to **allocate 90% of duration for technical skills and 10% for soft skills and entrepreneurship orientation.**
 - Introduce a **mandatory one-week module** on government schemes (PMEGP, MUDRA, UDYAM), credit linkage, market access, and MSME ecosystem awareness.
 - Include **emerging and sunrise sectors such as EV technology, AI/ML, robotics, renewable energy, logistics, and digital marketing**
- **Inclusivity and Regional Balance:**
 - Strengthen outreach in **Tier-2/Tier-3 cities and aspirational districts** through partnerships with **State Skill Missions, ITIs, and polytechnic colleges.**
 - Ensure barrier-free infrastructure for **PwDs** and gender-friendly facilities in all institutions.
- **Employment and Entrepreneurship Linkages:**
 - Link ATI students to **ESDP programmes and PMEGP** loan support, creating a training-to-enterprise pipeline.

- Establish institutional **placement and incubation cells** to support both employment and self-employment pathways.
- Allow trainees to **pursue advanced courses** after two years for skill upgradation.
- **Comparative Advantage over ESDP**

ATI complements the **Entrepreneurship and Skill Development Programme (ESDP)** by **offering infrastructure-based, industry-linked, and NSQF-compliant training.**

While ESDP focuses on **awareness and entrepreneurship orientation**, ATI builds **technical competence and training capacity**—making it a **more comprehensive and sustainable scheme** aligned with long-term MSME ecosystem strengthening.

Conclusion

The evaluation confirms that the ATI Scheme is **an impactful, forward looking initiative for building an entrepreneurial and skilled workforce** in the MSME sector of India. It has made a substantial contribution to capacity building, inclusivity, and local economic growth.

The ATI Scheme, to a large extent, has achieved its objective. It has been able to skill the youth and build a culture of entrepreneurship. Many youths, both girls and boys, have benefited from various courses organized by training Institutes and EDIs. The training has been contributing to the financial resources of the family.

A very positive outcome of the scheme is that it has benefited a large number of women and the disadvantaged section of society. The scheme needs to be continued. Some suggestions based on field visits and stakeholders' consultations may be incorporated to strengthen the scheme.

By integrating stronger industry linkages, robust monitoring, timely fund flow, modernized curricula, and regional equity, the scheme can evolve into a flagship driver of MSME-led growth and a key pillar of Viksit Bharat @2047



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INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

INDRAPRASTHA ROAD, RING ROAD, NEW DELHI—110002