

Building Industry Skill and Capacity: Using CSR Funds to Train Workers in Your Area

Basics: To fulfill their Corporate Social Responsibility spending requirements, many companies are interested in funding skill development programs for communities located near one of their production units or offices. Skill development programs represent an excellent vehicle for investment in a community, as they provide a potentially rare opportunity for economic mobility to those in need along with clear and measurable outcomes. Trained individuals may also be qualified to apply for jobs in the company funding the training after successfully completing it. Below are two models through which companies can fund local workforce development using CSR money. In both cases, **money cannot be used to train current employees or new hires at the company.** Only those individuals who are free to benefit from the training, become certified, and then work wherever they choose without penalty can be trained using CSR funds.

Through a Trust: Company provides job training to people in local area through separate trust which it has set up

- Company begins by setting up a separate non-profit Trust (separate balance sheet) through which it will perform its CSR activities.
- Donate money from company in order to carry out CSR activities
- Trust then trains local people on desired trades, some or many of which may be in the company's field of interest
- People trained are not employees of the company. They should be provided for during training, including offering food, housing, and/or a stipend.
- At the completion of training, participants should be assessed and, if knowledgeable, receive a certification that will carry weight in the market (namely, an NSDC sponsored QP/NOS certificate).
- Trainees are now certified and can work for anyone they choose. If company likes, it may accept applications.

Through the National Skill Development Corporation: Company gives money to NSDC, who it then works with along with a Training Provider to implement program

- Company donates money to NSDC or the National Skill Development Fund. NSDC works as a CSR one-stop-shop ensuring company compliance.
- Company works with NSDC to identify a suitable training partner, location for training to take place and list of fields training will take place in. If it so desires, company can choose a training provider in the geographic area of its production units and job roles for training that match its own.
- Company, training provider and NSDC sign tripartite MOU outlining terms of project.
- Training provider carries out training (up to NSDC-endorsed QP/NOS standards)
- Trainees are now certified and can work for anyone they choose. If company likes, it may accept applications.