

**Press Information Bureau
Government of India**

**HEFA will fast track Research and Academic Infrastructure Development in the country
in the coming years– Shri Prakash Javadekar**

**Expansion of Higher Education Financing Agency to fund Revitalising Infrastructure and
Systems in Education (RISE) by 2022**

July 05th, 2018, New Delhi

The Union Minister for Human Resource Development, Shri Prakash Javadekar has said that the cabinet decision to approve the proposal for enlarging the scope of Higher Education Financing Agency (HEFA) by expanding its capital base to Rs. 10,000 Cr and tasking it to mobilise Rs. 1,00,000 crore for revitalizing infrastructure and systems in education (RISE by 2022) is a very big step to boost the education sector . While addressing a Press Conference at New Delhi today the Minister said that HEFA is the vision of Prime Minister, Shri Narendra Modi for providing additional finance for promoting research and academic infrastructure in the higher educational institutions.

Giving more details, the Minister said that the increase of allocation for education from Rs. 65,867 Crore in 2013-14 to Rs. 1,10,000 crore in 2018-19 (67% increase) is without any raise in fee. An amount of Rs. 22,000 Cr would be mobilised in the current year by HEFA depending on the actual requirement. He further said State-of-the-art labs and research facilities will help in retaining the brightest young minds in India, and will attract Overseas Citizens of India back to Indian universities which will convert **brain drain to brain gain**.

The Minister highlighted that project based funding brings greater discipline in selection and execution of projects. There will be no burden on the new institutions as the Government will take the entire burden of servicing the loans and there will be no increase in student fees on account of this project.

The objectives of RISE by 2022 are:

- a) Qualitatively upgrade the research and academic infrastructure in India to global best standards by 2022.
- b) Make India into an education hub by making available high quality research infrastructure in Indian higher educational institutions.
- c) To allow access of HEFA funding to institutions like Central Universities, AIIMS, IISERs and newly created Institutes of National Importance, without creating any additional burden to the students.
- d) To bring greater accountability and speed in execution of infrastructure projects and avoid all cost/time over-runs, moving from the block-grant mode to project-mode for all infrastructure projects.
- e) To cater to the requirements of the Kendriya Vidyalayas and Navodaya Vidyalayas, and medical institutions like AIIMSs in a faster time frame.

HEFA - The journey

HEFA has been set up on 31st May 2017 by the Central Government as a non-profit, Non Banking Financing Company (NBFC) for mobilising extra-budgetary resources for building crucial infrastructure in the higher educational institutions under Central Government.. So far, funding proposals worth Rs. 2,016 Cr have already been approved by the HEFA.

Revitalising Infrastructure and Systems in Education (RISE) by 2022

The RISE by 2022 is an attempt to translate the objectives into action plan by making available resources from the market. In order to accommodate the needs of all institutions, especially the institutions set up after 2014, Central Universities, and those with limited internal resources, and the school education/health education infrastructure like AIIMSs, Kendriya Vidyalayas, the Government has approved the following five windows for financing under HEFA and the modalities of repaying the Principal portion of the fund (interest continues to be serviced through Government grants in all these cases):

- i. Newly established Institutions (started after 2014) and other institutions of MHRD with little scope for fee revision/internal resource generation: Grant would be provided for complete servicing of loan including the Principal and interest.
- ii. Other educational institutions and grant-in-aid institutions of Ministry of Health: All the newly set up AIIMSs and other health institutions, the Kendriya Vidyalayas / Navodaya Vidyalayas would be funded and the Department/Ministry concerned will give a commitment for complete servicing of the principal and interest by ensuring adequate grants to the institution.
- iii. Central Universities started prior to 2014: Repay 10% of the principal portion from internal resources, and receive grant for the balance of the Principal portion.
- iv. Technical Institutions started between 2008 and 2014: Repay 25% of the principal portion from internal resources, and receive grant for the balance of the Principal portion.
- v. Technical Institutions more than 10 years old: Repay the whole Principal Portion from the internally generated budgetary resources

The total amount that would be mobilised would be Rs 1,00,000 crores over the next 4 years till 2022. The likely fund availability is as per annexure enclosed.

There would be a negative list of projects included in the credit policy of HEFA so that only essential projects are undertaken for financing. Each proposal shall include inter alia, steps to enhance existing capacity utilisation, revenue generation strategies, revenue generation from the assets created and the escrow mechanism. All projects would be monitored through a project monitoring system with a dashboard for monitoring by the stakeholder Ministries/Organisations including NITI.

The money would be raised from the market through Government guaranteed bonds and commercial borrowings, mix of which would be decided in consultation with the Department of Economic Affairs so that the funds are mobilized at the least cost. A Committee comprising of Secretaries of Department of Economic Affairs, Department of Expenditure, Department of Financial Services, Department of Higher Education and Department of Health & FW would be constituted for this purpose.

Projected funding requirement for various educational institutions

Institution	Number	Total amount (Rs. Cr)	2018-19	2019-20	2020-21	2021-22
New IITs	6	10000	2000	3000	4000	1000
Old IITs renewal of old infrastructure	9	9000	3000	4000	2000	0
2nd Gen IITs	8	6000	2500	2500	1000	0
IoE	10	10000	1000	3000	4000	2000
NITs new	1	1300	500	500	300	0
NITs 2 nd Gen	10	6000	2000	3000	1000	0
NITs 1 st Gen	20	4000	1000	1500	1500	0
Central Univs (new)	10	10000	1000	3000	4000	2000
Central Univs (old) renewal	25	10000	2000	3000	4000	1000
IISERs	5	5000	1500	2500	1000	0
IIMs new	6	4500	1500	2000	1000	0
IIIT (PPP)	20	3000	500	1500	1000	0
IIITs Govt	4	2000	500	1000	500	0
Languages institutes	5	1000	200	500	300	0
Other institutions CFIs	10	1700	500	500	700	0
SPAs	23	5500	1000	1500	2500	500
School Education		1000	250	250	250	250
Health Infrastructure	20	6000	1000	2000	2000	1000
Research promotion		4000	500	1000	1000	1500
Total		100000	22200	36000	32300	9500

NB/AJK/YP/AK/HEFA