

# Revitalising Infrastructure and Systems in Higher Education (RISE) by 2022

June 23, 2019

RISE scheme was announced in Union Budget 2017-18.

It aims to lend low-cost funds to government higher educational institutions. Under it, all **centrally-funded institutes (CFIs), including central universities, IITs, IIMs, NITs and IISERs** can borrow from Rs.100000 Cr. corpus over next 4 years to expand and build new infrastructure.

It will be financed via restructured **Higher Education Financing Agency (HEFA)**, a non-banking financial company.

HEFA has been set up on 31 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 Govt.

In the existing arrangement, the entire principle portion is repaid by the institution over ten years, and the interest portion is serviced by the Government by providing additional grants to the institution.

With introduction of RISE, all financing for infrastructure development at CFIs in higher education will be done through HEFA, which was set up by government as a Section 8 company (a company with charitable objectives) in 2017 to mobilise funds from the market and offer 10-year loans to centrally-run institutes.

## **Target:**

All infrastructure and research projects sanctioned by HEFA

are to be completed by **December 2022**.

### **Fund Raising:**

HEFA will release money directly to vendors or contractors on certification by executing agency and educational institute. Loans taken from HEFA, under the RISE programme, will be paid back over 10 years.

There will be different modes of loan repayment for different institutes, based on their internal revenue.

It has also approved that the modalities for raising money from the market **through Government guaranteed bonds and commercial borrowings** would be decided in consultation with the Department of Economic Affairs so that the funds are mobilised at the least cost.

### **Modalities of funding**

- **Technical Institutions more than 10 years old:** Repay the whole Principal Portion from the internally generated budgetary resources.
- **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.
- **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.
- **Newly established Institutions (started after 2014):** for funding construction of permanent campuses: Grant would be provided for complete servicing of loan including the Principal and interest.
- **Other educational institutions and grant-in-aid institutions of Ministry of Health:** All the newly set up AIIMs 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.