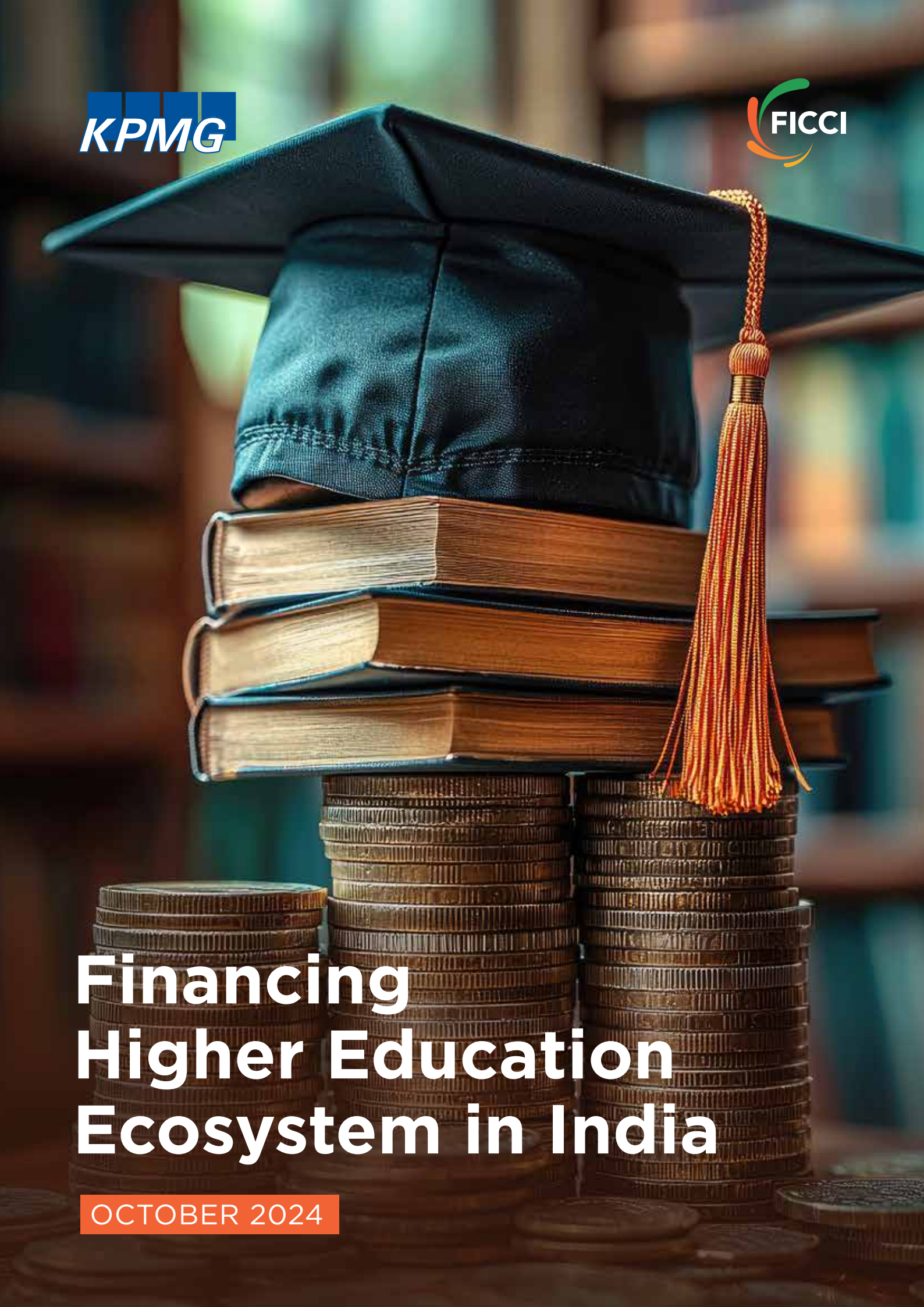


Financing Higher Education Ecosystem in India

OCTOBER 2024

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Glossary

AISHE	All India Survey on Higher Education
ADB	Asian Development Bank
ANBC	Adjusted Net Bank Credit
BOOT	Build-Own-Operate-Transfer
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
CMD	Chief Managing Director
DEA	Department of Economic Affairs
DFI	Development Financial Institution
DoHE	Department of Higher Education
DIBs	Development Impact Bonds
DFS	Department of Financial Services
ECB	External Commercial Borrowings
FDI	Foreign Direct Investment
FPE	For-Profit-Enterprise
GER	Gross Enrolment Ratio
GIFT City	Gujarat International Finance Tec-City
GoI	Government of India
HEIs	Higher Education Institutions
HFC	Housing Finance Companies
IIFCL	India Infrastructure Financing Company Limited
IISc	Indian Institute of Science
IFIs	International Financial Institutions
IFSCA	International Financial Services Centres Authority
IITH	Indian Institute of Technology Hyderabad
IIX	Impact Investment Exchange

JICA	Japan International Cooperation Agency
KPIs	Key Performance Indicators
MoE	Ministry of Education
NaBFID	National Bank for Financing Infrastructure and Development
NEP	National Education Policy
NHB	National Housing Bank
NIEPA	National Institute of Educational and Administration
NIRF	National Institute Ranking Framework
NPA	Non-Performing Assets
NPOs	Not for Profit Organizations
NFP	Not-For-Profit
NSE	National Stock Exchange of India Limited
OpEx	Operating Expenditure
PBSA	Purpose Built Student Accommodation
PSL	Priority Sector Lending
PG	Postgraduate
PhD	Doctor of Philosophy
RBI	Reserve Bank of India
SCB	Scheduled commercial bank
SEBI	Securities and Exchange Board of India
SFCs	State Financial Corporations
SSE	Social Stock Exchange
SRoI	Social Return on Investment
UOW	University of Wollongong
UG	Undergraduate
UGC	University Grants Commission
ZCZP	Zero Coupon Zero Principal

Foreword by FICCI

In the rapidly evolving global landscape, higher education stands as a cornerstone for national development, social progress, and economic growth. India, with its rich tapestry of cultures and a burgeoning youth population, finds itself at a critical juncture, where the financing of higher education is both an opportunity and a challenge. The FICCI KPMG Knowledge Report on "Financing Higher Education Ecosystem in India" provides a comprehensive analysis of the current scenario, explores new initiatives, highlights best practices, suggests alternate financing models and outlines the challenges and potential pathways forward.

Government expenditure on higher education has not kept pace with the growing demand, leading to resource crunches that affect quality and accessibility. Private institutions have proliferated, filling some of the gaps left by public institutions, but this has also led to disparities in quality and increased the cost burden on students and their families. Student loans and scholarships are available, but their reach is limited, and repayment burdens often deter potential candidates.

Around the world, several best practices in financing higher education offer valuable lessons for India. In the United States, the endowment model has been highly successful, with universities like Harvard and Yale leveraging their substantial endowments to support diverse academic programs and scholarships. Germany's dual education system, combining academic and vocational training with strong industry linkages, provides a sustainable financing model by aligning educational outcomes with market needs.

In Australia, the Higher Education Contribution Scheme (HECS) allows students to defer their tuition fees until they reach a certain income level, ensuring that financial constraints do not impede access to education. These international examples underscore the importance of flexibility, innovation, and robust support systems in financing higher education.

To build a sustainable financing ecosystem for higher education in India, a multifaceted approach is required. Policymakers need to create a more enabling regulatory framework that encourages innovation and collaboration. Increased investment in digital infrastructure can enhance access to quality education, particularly in remote areas. Expanding the reach of financial aid, scholarships, and loan schemes will help mitigate economic barriers for students. Further, fostering a culture of philanthropy and alumni engagement can provide additional financial resources and strengthen institutional capabilities.

By embracing innovative financing models, learning from global best practices, and addressing systemic challenges, India must create a robust and inclusive higher education ecosystem that empowers its youth and drives the nation forward. This report serves as a crucial step in that journey, offering insights and recommendations to shape a brighter future for higher education in India.



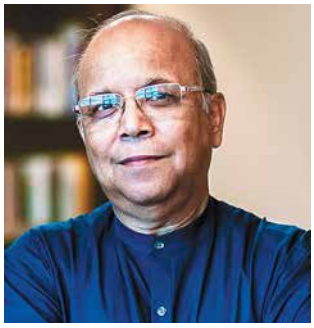
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Foreword by KPMG

In India's progressive Higher Education (HE) landscape, financing remains an enduring challenge for Higher Education Institutions (HEIs). With the evolving expectations of students and other stakeholders, HEIs will have to rise to the occasion in a much shorter timeframe. These expectations, on par with international standards, include future-ready curriculum flexible pedagogy, high-tech digital infrastructure, state-of-the-art research facilities, etc., need to be met adequately through mobilizing funds. Additional funds, over and above the accruals from operations, is usually mobilized by tapping into international, domestic markets, outreach to investors, etc. Understanding the current options for raising funds, exploring alternate options and create an ecosystem that is conducive for such financing, are critical in achieving this.

This report seeks to examine the multifaceted challenges being faced by HEIs, from the complexities of government fund allocation to limited revenue sources. This report analyzes the solutions that hold most promise and potential in alleviating financing challenges faced by HEIs. It deep dives into multiple options and pathways that can be taken up with the collaborative support of financing institutions, regulators, education institutes, investors, etc. It further delves into the intricacies and enablers of various financing solutions and HEIs may eventually adapt a combination of these solutions for multi-pronged financing efficiency and management. The report also briefly incorporates examples of countries around the world that are already implementing some of these solutions and can provide detailed takeaways for contextualization and adoption in India.

As we summarize these options, we have recommended an actionable roadmap for all stakeholders, that can help expand the scope and scale of our HEIs to provide relevant education to one and all. We believe this report will serve as a reference for further studies and implementation of the recommendations to strengthen our HEIs as they guide the country to achieve Viksit Bharat goals.



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Executive Summary

The target set by National Education Policy (NEP) 2020 for achieving 50% Gross Enrolment Ratio (GER) by 2035 requires concerted efforts towards ensuring access and capacity expansion of quality education infrastructure. This necessitates the addition of state-of-the-art facilities to cater to learner needs, technological resources to facilitate effective teaching, satellite campuses to ensure geographical access, and more. Beyond academic facilities, upgradation of existing institutes is also required to meet multidisciplinary learning goals and enhance holistic development of students. With the rising demand for quality education and constrained government resources, exploring innovating financing mechanisms for higher education institutions in India has become imperative.

This report evaluates alternative financing solutions amid the evolving landscape of educational funding. It particularly delves into potential financing options that emerged from the stakeholder conference 'Creating Synergies for Seamless Credit Flow and Economic Growth' conducted by Department of Financial Services in 2021 and provides recommendations for the way forward. As per working group 4 (healthcare and education) report[1] from the conference, it was estimated that the capital expenditure for creating 110 lakh seats at UG, PG and PhD level in public and private institutions together will be INR 22 lakhs crore during financial year 2022-23 to 2034-35. Further an operating expenditure of ~INR 4.27 lakh crore is required till 2035 to support the enhanced student strength in the existing public and private institutions. This translates to annual funding requirement of INR 1.16 lakh crore till 2035, each for public and private Higher Education Institutions (HEI).

The options comprise a combination of funding sources and funding mechanisms:

- Education sector as a priority objective for Social Stock Exchange
- Public Philanthropic Partnership Model for HEIs to promote private philanthropic activity
- Borrowing from multilateral agencies at lower rate
- National Bank for Financing Infrastructure and Development (NaBFID) providing credit to Higher Education institutions
- Scheduled commercial banks providing credit to Higher Education institutions
- Borrowing funds with the government guaranteed bonds
- Bringing education-infrastructure under the priority sector lending
- Avenues of Foreign Direct Investment (FDI) in education sector
- Development of finance products by financial institutions to fund the research activities
- Engagement with private sector through Public Private partnership

Discussions have already been conducted with Federation of Indian Chambers of Commerce and Industry (FICCI), Vice-Chancellors of universities, academicians, financial advisory experts, etc., to assess the pros and cons of each of the solutions. The paper details each of the above options and its potential to enhance availability of financing for higher education. The recommendations throw light on the process and regulatory reforms needed for creating a conducive environment for operationalizing the proposed options. In a nutshell, this paper underscores the necessity of diversified financing strategy for HEIs to meet the larger goal of ensuring equitable access to quality education to present and future learners.

[1]Working group 4 (healthcare & education) report on 'Creating Synergies for Seamless Credit Flow and Economic Growth' of Department of Financial Services

Key recommendations which will be required to operationalise the above financing mechanisms are as follows:

Process Reforms: Reforms to enhance the efficiency of existing solutions may also be undertaken, such as routing of International Financial Institutions (IFI) funding through a platform, creation of a database to support consortium led research financing proposals, single window application for foreign HEIs to improve ease of doing business, etc.

Regulatory Reforms: Various regulatory reforms, such as enhancing the ease of doing business through a single-window portal for FDI, initiating co-financing mechanism for philanthropic funds, designing mechanism for issuance of bonds, etc., may be undertaken. Reforms such as allowing foreign donations, CSR grants in SSE may also be considered. An analysis of regulations for HEIs in each State/UT may be conducted to make the environment conducive for alternate financing solutions.

Outreach and Generating Awareness: Outreach by HEIs through dedicated Public Relations teams to nurture strong alumni and community connections can be undertaken to encourage greater fund mobilization. Awareness generation activities for investors and HEIs may also be undertaken to popularize SSEs.

Consultation with Key Stakeholders: Further deliberations would be pertinent for building pathways and mechanisms yet to be launched, such as designing of government guaranteed bonds for education sector, development of finance products for research activities, priority sector lending for education infrastructure, etc.

Capacity Building of HEIs: Capacity building of HEIs would be required for optimal leveraging of solutions like availing multilateral financing, foreign investments, etc. with greater ease. This could be implemented through availing professional financial services for developing institutional expertise and knowhow for navigating application processes, documentation, etc. A program or workshop for building awareness of HEIs on basic financial management, loan management cash flow management etc., may also be formulated.



Introduction

Higher Education Overview

India has the world's largest higher education network[2] comprising 1,168 universities/university level institutions, 45,473 colleges and 12,002 stand-alone institutions offering programs/courses in almost every discipline. Indian higher education has witnessed tremendous growth in various aspects over the last decade. The number of universities increased by 53.7% from 760 in 2014-15 to 1,168 in 2021-22. The number of colleges has grown by 6,975 till 2021-22 from 38,498 colleges in 2014-15. With the continuous increase in number of registered universities and colleges, India stands second in the world by number of enrolments with an all-time high of 4.33 crore enrolled students[3] in 2021-22 with an increase of 26.5% from 2014-15. Also, the GER at all India level has increased over the years and stands at 28.4%. Further to strengthen the Indian education system, NEP 2020 had been introduced by Government of India that calls for various initiatives and envisions a transformation in the Indian education system.

One of the aims of the NEP 2020 is to increase the GER in higher education (including vocational education) to 50% by 2035. In line to this, NEP 2020, plans to add additional seats to higher education institutions and transition of higher education towards a holistic multidisciplinary education. Over the last decade, the budgetary allocation to the Department of Higher Education (DoHE) has increased from INR 26,750 crore in 2013-14 to INR 47,619 crore[4] in interim budget for 2024-25. Traditionally, the private Higher Education Institutions (HEIs) in India get ~85-90%[5] of their income from student tuition fees and other activities, such as hostel fees, student admission fees, transport fee etc., but public Higher Education Institutions in India are majorly backed by government grants. The Union Budget 2024-25 allotted INR 10,324 crore for IITs and INR 15,928 crore for central universities.

The new National Education Policy envisages for increased public spending in education as well as enhanced private philanthropy to meet the GER targets. To realize the NEP vision of enhancing the GER and make the higher education system ready to the growing enrolments, it is important to address the critical issue of financing and scaling up the investment in the higher education sector.

Funding Challenges Being Faced by HEIs

Limited Revenue from Tuition Fees for Government HEIs: In the absence of diversified revenue streams, many government HEIs are heavily dependent on government grants for funding as the fees charged from the students is negligible.

Limited Avenues for Investment: HEIs are currently allowed to invest only in deposits, bonds, etc. as per Section 11(5) of Income Tax Act. Accordingly, income from current set of investments as a percentage of overall revenue of HEIs is minimal. This is in sharp contrast to the way surplus or endowments are managed in countries like USA and UK, where universities deploy their endowments in a various asset class consistently generating returns more than education inflation.

Small Size of Institutions: Nearly 35% colleges in India have a student strength of less than 200 students[6]. This limits their capacity to access funding through loans and other financing mechanisms. Operating at such capacities does not allow for generation of enough surplus to be invested. Besides, small capacity also restricts the capacity of the institutes to diversify the revenues from endowments, research income etc.

[2]IBEF
[3]AISHE 2021-22
[4]Press Information Bureau data
[5]KPMG Analysis
[6]KPMG Analysis

High Credit Risk: Due to mismatch between income and expenditure and slow realization of revenue by higher education institutions, there is a high probability of HEIs failure to repay the loan and to mitigate this the lending institution will charge a higher rate of interest to account for credit risk.

Lack of Expertise and Resources in Generating Revenue Streams Beyond the Conventional Way: Most of higher education institutions stick to traditional methods of generating revenue through student receipts and not exploring options such outsourcing assets, hostel, labs, center of excellence, alumni donations, royalties on Intellectual Property due to lack of expertise and resources etc.



Funding Requirement 2035 in Higher Education

The new National Education Policy 2020[7] targets to achieve a GER of **50%** in higher education by 2035 which corresponds to additional enrolment of **2.64 crore**[8]. Given the current state of financing of higher education in India, there is an additional funding requirement for enhancing access and growth of enrolments in next 10 years. As per working group 4 report by DFS, **110 lakh seats** will be created during financial year 2022-23 to 2034-35 and additional seats will be covered by enhancing the utilization of the existing infrastructure.

It was estimated that the capital expenditure for creating **110 lakhs**[9] seats at UG, PG and PhD level in public[10] and private institutions together will be **INR 22 lakhs crore** during financial year 2022-23 to 2034-35. That translates to capital expenditure of **INR 2 lakhs crore** per year split equally amongst the public and private sector earmarking **INR 1 lakh crore** each. Further an operating expenditure of ~**INR 4.27 lakh crore**[11] is required till 2035 to support the enhanced student strength in the existing public and private institutions. This translates to annual capital and operating expenditure requirement of **INR 1.16 lakh crore** combined till 2035, each for public and private HEIs.

This additional funding required for enhancing access and GER in educational institutions will have to be met through diversified sources of funding. The success of accelerating funds through the alternative sources is highly dependent on government intervention in creating enabling ecosystem and avenues to tap these diversified sources of funding.

[7]National Education Policy 2020

[8]NIEPA report on Indian higher education in 2047

[9]Working group 4 (healthcare & education) report on 'Creating Synergies for Seamless Credit Flow and Economic Growth' of Department of Financial Services
a.The cost of creating one new seat at the UG and above level was estimated as INR 20 lakhs.
b.The additional enrolment share in public and private institutions assumed to be same.
c.The Capex per seat estimation based on cost incurred by premium institutes like IITs, IIMs

[10]Public institutions includes both centrally and state funded institutions.

[11]The estimations are calculated on basis of projected 18-23 age group population and target GER percentage with benchmarked operating expenditure per student from NIRF 2022.



Education Sector as a Priority Objective for the Social Stock Exchange

Overview

About: A Social Stock Exchange (SSE) is a platform to link social organizations with impact investors, particularly institutional investors that can buy a stake in social missions through bonds. SSEs enable social organizations to raise capital, while preserving their focus towards their mission. Such platforms also give investors diverse investment opportunities that may align with their socio-economic interests and may also have the potential to produce financial returns. Globally, SSEs are at a more mature stage in countries like Brazil (2003), South Africa (2006), Singapore (2013), Canada (2013), etc.

Indian Context: The BSE and NSE Social Stock Exchanges in India launched in 2023 as a segment of both BSE and NSE respectively, were envisioned as platforms to facilitate impact investing. It was initially proposed in 2019, and a working group was formed to develop a framework for SSE, post which it was approved by SEBI in 2021.

Guidelines: SSE allows registration and activities of two kinds of organizations:

- A For-Profit-Enterprise (FPE) is a corporate body or a company under Companies Act, 2013, operating for profit, and not included under Sec-8. FPEs must demonstrate that during immediately preceding three years, at least 67% of their revenue came from eligible activities, or 67% of expenditure was incurred in providing eligible activities to be considered 'social' FPE. On SSE, these organizations can raise funds through issue of equity shares and debt instruments.
- A Not-For-Profit (NFP) is an entity, which is either a charitable society registered under Societies Registration Act, a company incorporated under Section 8 of Companies Act, 2013, or a charitable trust registered under public trust statute of State. Such organizations can raise funds through issuance of zero coupon zero principal instruments, and donation through mutual fund schemes. Development Impact Bonds (DIBs) as a structured finance product is also available to NFPs for delivering on pre-agreed social metrics at pre-agreed costs.
- Investors seeking to invest in NFPs can purchase Zero Coupon Zero Principal (ZCZP) bonds that are non-tradeable instruments. These ZCZP bonds don't yield any interest or repayment of principal upon maturity and are essentially donations to enterprises working towards social goals.
- The SSE also provides comprehensive guidelines on minimum disclosure and reporting standards mandatory for organizations, exhibiting details of their operations, funding, governance, risks and mitigation, registration documents, etc.
- Type of projects in SSE are getting approved: An illustrative list of projects approved in the education and skilling segment is provided below:

Sector	Organization	Issue Size	Issue Size
Education	Routes 2 Roots	INR 1 Crore	Implementation of free digital teaching program in 100 schools of Uttarakhand and Himachal Pradesh, on art, culture, and heritage by provision of smart classroom equipment, teacher training, etc.
	Foundation to Educate Girls	INR 1.3 Crores	Improvement in enrolment and retention of marginalized out-of-school girls between the ages of 5-14 years through focus on learning outcomes in the educationally backward blocks of Shivpur, Risia and Nawabganj in Uttar Pradesh.
Skilling & Livelihood	SGBS Unnati	INR 2 Crores	Training of approximately 10,000 graduating youth from government colleges for assistance in employment placement through organization's UNXT program.
	Eklavya Foundation	INR 1.10 Crores	Enhancement of local income generating opportunities through Babjipet Sustainable Livelihood Development Project in 10 villages of Komuram Bheem Asifabad district in Telangana.
	Transform Rural India Foundation	INR 5 Crores	Creation of employment opportunities for youth through onboarding of 12-15 Sarathis to work across selected villages in districts. Each Sarathi will oversee the outreach and facilitate transformational outcomes for ~400 youth.

Table 1 - Illustrative list of projects financed through SSE

Applicability

The SSE conditions for eligibility of NFPs extends to charitable society registered under Societies Registration Act, a charitable trust registered under public trust statute of State, company incorporated under Section 8 of Companies Act, 2013. This applicability, therefore extends to cover HEIs under its ambit.

Case Study

Singapore's Impact Investment Exchange (IIX) was established in 2013 as a platform to strengthen impact investing and sustainability ecosystem in the country. The platform allows mature social enterprises to raise capital by issuing securities to investors. It also facilitates a group of similar social enterprises to pool together and mobilise large scale private capital through the issuance of IIX sustainability bonds. IIX deploys a Social Return on Investment (SroI) framework that measures the social and environmental impact of every dollar invested. As of 2024, IIX has unlocked USD 454 million worth of investment funds.

Pros

Accountability: Social enterprises listed on SSE are required to adhere to transparency norms, disclosure requirements, periodic audit reports, etc. Issuers of bonds are required to demonstrate impact of their work through reports detailing measurable and tangible outcomes. This enhances impact assessment and verification of authenticity of social contributions.

Repeated Issuances: Once listed (and validated by investors as a credible organization that delivers results), NPOs can raise funds for same project through another ZCZP.

Project-Based Impact Investing: The SSE can promote project-based funding instead of presently dominant form of organization-based funding. This can enable less prominent organizations to avail funding too based on project conception.

Cons

Uptake Across Diverse NPOs: It is difficult to gauge, whether all NPOs will be able to reach the minimum subscription benchmark to meet their desired objectives as novel ideas/projects/initiatives might have less investors/donors.

Small Ticket Size: Amount raised by HEIs via SSE may not be of significant denomination as compared to their funding requirement. Thus, SSE carries limited potential to meet financing requirements of HEIs.

Way Forward

- Awareness generation activities for investors may be undertaken to popularise the idea of SSE as effectiveness of the platform is dependent on investor interest and awareness. Outreach activities may also be conducted to generate awareness about Social Stock Exchange amongst HEIs. Capacity building of HEIs may be undertaken to adhere to regulatory norms and participate on Social Stock Exchange.
- SEBI might consider allowing foreign donations in SSE to better regulate inflow of FDI as well as encourage greater quantum of contributions in social impact projects.
- Tax benefits to all investors donating via ZCZP may be considered to incentivise channelling funds in greater magnitude.
- The minimum investment amount stipulated for donations (i.e., INR 10,000) can be reassessed and calibrated in accordance with potential for enhancing the existing flow of funds through such change.
- SEBI might consider allowing CSR Grants through SSE for higher diligence and social impact reporting on funds received.



Public Philanthropic Partnership Model for HEIs to Promote Private Philanthropic Activity

Overview

About:

- Giving back to the alma mater has been a cherished tradition all over the world. Alumni often contribute to their alma mater through financial donations, demonstrating their gratitude and their alma mater. These grants aid the functioning of their institution and perpetuates its legacy. Another way for philanthropic funds to be channelised is through industry initiatives. Channelizing these funds to HEIs will reduce the dependence of HEIs on tuition fees.
- The National Education Policy 2020 also calls for the rejuvenation, active promotion, and support for private philanthropic activity in the education sector.

Applicability

Public and private HEIs can look to tap philanthropic funds

Case Study

- The MoE in Singapore has established a system to encourage donations to tertiary education by providing matching grants. Since 1991, the Government has encouraged donations to tertiary education by providing 1:1 matching grant. This was raised to 1.5:1 in 2010 for Autonomous Universities. For the newer institutions, the Government further enhanced our support to them by granting them sizeable seed monies to start up their endowment fund, as well as more generous matching grants at 3:1[12].
- The Indian Institute of Science (IISc) received its single largest private donation of INR 425 crore by philanthropists Susmita and Subroto Bagchi, and Radha and NS Parthasarathy to help build an 800-bed multi-specialty hospital. The Indian Institute of Technology Madras has also received an endowment of INR 110 crores from Mastech Digital and IGate founder Sunil Wadhwani towards setting up a data science and artificial intelligence school. The donation from Wadhwani is one of the largest from an alumnus to his or her alma mater in India for setting up a new academic unit.
- Higher Education Department of Odisha launched Mo college Abhijan in 2019 to connect alumni with their alma mater by creating avenues for the betterment of college eco-system. This was achieved by providing alumni both monetary and non-monetary avenues to give back to their alma mater. When an alumnus chooses to make a monetary donation then the State Government supports this initiative by contributing twice the amount of funds donated by alumni. Non-alumni such as philanthropists, charitable organizations, etc. can also contribute in terms of voluntary services or donation. This has led to the creation of a INR 10.9 crores corpus for 83 projects across the State.

Pros

Diversified Funding: Reduced dependence on tuition fees by diversifying sources of revenue, thereby enhancing the autonomy and financial stability of the institutions.

Greater Industry Academia Collaboration: Industry funding may pave the way for greater industry academia collaboration.

Community Engagement: It fosters a culture of community engagement, encouraging alumni and the wider community to contribute to the institution's mission.

[12] *Ministry of Education, Singapore website*

Cons

Limited Flexibility: The funds granted to an institute through philanthropy may be mapped for specific purposes thus limiting the flexibility of the use of funds.

Limited Capacity of Smaller HEIs: This funding options requires a strong outreach and a robust alumni network along with fund management capabilities. Smaller institutions may not possess the same.

Sentimental Appeal: Philanthropic funds tend to be routed towards bottom-of-the-pyramid causes with high sentimental appeal. A higher proportion of donations in education is directed towards school education and skilling, as compared to higher education problem statements.

Way Forward

- A matching grants mechanism can be explored, where the government matches the donations received by HEIs. This will not only double the impact of each contribution but also incentivise institutions to work more intensely on soliciting grants.
- Effective communication of the impact of philanthropic contributions can stimulate and increase alumni donations to HEIs. Capacity building of the HEIs to engage in strong PR and outreach and to build robust alumni relations can be targeted.
- An appropriate platform may be designed to enable and promote collective financing, i.e., for tapping into philanthropic funds through consortiums of HEIs, that may get funds for research, innovation, entrepreneurship, etc., towards national priority agendas.
- As per regulations, there are limitations to donations that can be accepted by HEIs. Corporates often donate stock options or equity shares to HEIs. Allowing HEIs to accept and retain equity may be considered to leverage the appreciating value of stocks over a period. This would reduce dependence on government as HEIs could benefit monetarily from home-grown entrepreneurship and industry expansion.



Borrowing from Multilateral Agencies at Lower Rate

Overview

External aid is given by International Financial Institutions in the form of loans, grants, and technical assistance for development sector, such as education and skill development. Notable IFI donors include ADB, JICA, etc. The public higher education institutions can explore the possibility of availing loans at relatively lower interest rate compared to the commercial banks with relatively longer repayment periods.

Various steps involved in borrowing from a multilateral agency have been captured below. The below illustrative captures the financing process of ADB.[13]

1 Project Sponsor

- The proposed project will be developed and implemented by the Government.
- The Government submits the project details to the Asian Development Bank (ADB) for its contribution, which will be paid through ADB.

2 Concept Clearance

- ADB conducts preliminary fact-finding on the project sponsor, development impact, and ADB value contribution.
- ADB prepares a Concept Review Paper (CRP).
- The Investment Committee (IC) approves the project based on the CRP.
- A mandate letter is signed between ADB and the sponsor.
- Processing and out-of-pocket fees are paid to ADB.
- A non-disclosure agreement is signed with the sponsor.

3 Due Diligence

- The ADB project team conducts due diligence, including site visits to the project site, sponsors, government agencies, and co-sponsors.
- The focus is on the economic, financial, and commercial viability of the project.
- The team assesses the legal and regulatory framework, as well as environmental and social impact.
- The sponsor bears the costs of the due diligence activities.

4 Term Sheet

- The ADB project team negotiates the terms and conditions of ADB assistance.
- A finalized term sheet is agreed upon with the sponsor.

5 Final Review

- The project team prepares and submits the appraisal report to the IC for final review.
- A draft loan, guarantee, or equity document is prepared.

6 Board Consideration

- The IC presents the ADB assistance to the ADB Board of Directors for approval.

7 Financial Close

- Once the Board has approved the assistance, the project documentation is signed.
- Once all conditions are met, including a No-Objection Certificate (NOC) from the host country, the ADB loan, guarantee, or equity investment is disbursed according to the agreed-upon terms.

Figure 1: Asian Development Bank financing process

[13] *ADB website*

Applicability

State and centrally funded universities including greenfield universities.

Case Study

Japan International Cooperation Agency (JICA)[14], an International Financial Institution funded IIT Hyderabad with INR 1,500 crores through official development assistance (ODA) loan projects signed between Government of Japan and India. JICA has funded for construction of campus facilities and procurement of research equipment, which contributed to the set-up of around 21 buildings at IITH. It has also provided technical assistance in architectural design of 6 IIT buildings. Of the total loan amount of INR 1,776 crores, the Indian government has given 15% and the rest, a little over INR 1,500 crores was funded by JICA with an interest rate of 1.4% to be repaid in 30 years, which can be further extended to 10 more years.

Pros

Availability of Low-Cost Credit with Longer Maturity Period: International Financial Institutions provide funding at lower interest rates for long period along with option of extension in the form of grace period. The benefit of multilateral borrowing with government as guarantor is that there is no need to get into bankability of counter party.

Advisory Support: Multilateral agencies fund development sectors across the world, which helped them to build collaborations, networking, and best practices. The HEIs can leverage these best practices, networks and avail the expertise of the board members of donor agencies for technical assistance and advisory support.

Credibility: Funding from the multilateral donor agencies install confidence and reputation in the projects which may open avenues for other funding options.

Cons

Vulnerability to Geo-political Scenario: Priority areas for IFIs and budget outlay for multilateral agencies may vary year-on-year. Further, the geo-political considerations may also have an impact on funding by IFIs.

Delays in Adjustment and Adherence to Regulations: Projects financed by the local, state, central government have set guidelines, and project employees have a higher degree of familiarity with these processes and key performance indicator (KPIs). Financing by multilateral bodies requires the introduction of a new set of guidelines and adaptation is often rife with time delays and knowledge gaps. This indirectly can affect timelines in initial stages.

Way Forward

- Discussion with ADB and other IFIs led by MoE to understand their priority in funding core financing area and required documentation.
- Capacity building of HEIs to assist in proposal making and grant writing to acquire funding from IFIs.
- As the IFI funding is routed through government primarily, the government can create a platform for both public and private higher education institutions to put their requests for funding requirement demonstrating the developmental impact. Further government can promote the platform across the IFIs and let them choose the projects meeting their criteria to sanction the funds.

[14] *JICA website*

NaBFID Providing Credit to Higher Education Institutions

Overview

National Bank for Financing and Development (NaBFID) is a development finance institution set by Government of India in 2021 for infrastructure projects. Educational institutions (being the part of harmonised list of infrastructure sub-sectors) can avail long-term credit from NaBFID at low cost to meet their funding requirements. The harmonised list of infrastructure sub-sector was first introduced in 2010[15] by Department of Economic Affairs (DEA) that identifies 5 main sectors and 29 sub-sectors to be given infrastructure status with educational institutions under social and commercial structures sector. The inclusion in the harmonised list will help in accessing loans at relaxed terms with enhanced limits and long-term, easier borrowings overseas as External Commercial Borrowings (ECB), raise funds through tax-free bonds, tax concessions, and access to borrow from India Infrastructure Financing Company Limited (IIFCL). As per the NaBFID Act, funding is provided to the sectors covered in the list of infrastructure sector notified by the Central Government that is harmonised list.

Applicability

NaBFID funding is applicable to harmonised list of infrastructure sub-sectors that are able to meet detailed appraisal/due diligence and credit rating.

Case Study

National Housing Bank (NHB)[16] is the apex regulatory body to promote housing finance institutions and provide financial support to them. It has played a key role through its re-financing/financing activity to the housing finance institutions to meet the housing infrastructure demand of India. India saw an increase in urbanisation rate that led to increase in affordable housing in urban areas but were hindered because of unavailability of credit to developers. NHB boosted this sector by regulating housing finance companies (HFC), re-financed disbursements of INR ~70k crores to HFCs, scheduled commercial banks etc., from 2015 till 2018, and financed 449 projects cost of INR 10k crores, participated in the equity share capital of HFCs and other related companies.

Pros

Availability of Low-Cost Credit: NaBFID provides medium/long-term sector specific low-cost financing which will be favourable for the educational institutions.

Customised Financial Products: NaBFID can develop the financial products to suit the needs of sector under consideration, such as project tenure, asset liability match etc.

Cons

Ability to Service the Loans: HEIs in the absence of a strong revenue stream may find it difficult to repay the principal and interest.

Way Forward

- NaBFID may design the financial instruments and loan products conducive to the needs of Higher Educational Institutions.
- NaBFID may enhance its visibility by promoting the financial instruments to the HEIs through outreach activities. The advantages of NaBFID credit from existing forms of credit may also be promoted for improved awareness of HEIs.
- Ministry of Education to formulate a program for capacity building of HEIs on basic financial management, loan management cash flow management etc.

[15]Harmonized Master list infrastructure sub sectors published by DEA ,MoF
[16]NHB Annual Report-2018-19 (pg. 105-122)

Scheduled Commercial Banks Providing Credit to Higher Education Institutions

Overview

Schedule commercial banks (SCBs) are one of the major lending institutions, which provide specific financial solutions for HEIs to meet their financial requirements. Conventionally private institutions reach out to the scheduled commercial banks for their short-term and long-term loans as these are more conducive to them. The requirements for availing loan for an institute varies from lender and purpose of loan. The requirements may include institute financial history and future projections, promoter profile, years of experience, regulatory permissions, recognition, credit ratings, collaterals, other documents etc.

Applicability

Schedule commercial banks can provide credit to both public and private HEIs that meets the required credit rating and other eligibility criteria.

Pros

Varied Financial Instruments: Scheduled commercial banks provide loans in either cash credits, term loans overdrafts, issue of letter of credit purchase/discounting of bills etc.

Cons

Asset Liability Mismatch: Funds are generally available for short period of time, which may be difficult for institute to repay back. This short tenure of loans causes a fundamental asset liability mismatch as institutes typically need financing for a longer duration. Further, different categories of HEIs have differing requirements as public universities may require longer tenured loans than private universities.

Lack of Collateral to Access Credit: SCBs require collateral or security as security for lending amount and HEIs may not pledge the land and property as collateral owing to regulatory restrictions, which limits their capacity to raise loans.

Ability to Service the Loans: HEIs in the absence of a strong revenue stream may find it difficult to repay the principal and interest.

Next Steps for Enabling the Financing Option

A capacity building program need to be conducted in Higher Education Institutions to equip the administration with knowledge on basic financial management, loan management and cash flows, which helps them to understand the financial situation of the HEI and accordingly raise funds.



Borrowing Funds with the Government Guaranteed Bonds

Overview

A significant source of funding for universities globally has been to borrow funds through bonds, including governments backed as well as private university issued bonds. Top universities from the US, the UK and Australia are increasingly relying on bond market due to factors like reduced funding from government, fluctuating tuition revenue from overseas students, Brexit from EU, high global competition among universities (Reuters, World Finance). By 2019, $11.4 billion[17] was raised worldwide through bonds by universities for capital-intensive activities, such as expanding student residences, libraries, sports infrastructure, upgradation or launch of new campuses, etc.

For instance, Princeton University in 2022 issued bonds for capital worth $600 million, with a mix of taxable and tax-exempt securities managed by Goldman Sachs. The bond issue had top credit ratings AAA from Moody's and S&P and was intended for the expansion of campus and addition of capacity for undergrad students. This was achievable through bond issuance due to the characteristic of it being a patient capital (bond set to be due in 2052)[18].

In India to meet the financing requirements, it is proposed that:

- Bonds may be raised by State Financial Corporations (SFCs) and DFIs (similar to as issued by NABARD, for instance) to generate funds for further lending or investment in education development activities.
- Prevalent format of financing via bonds could be leveraged for HEIs run by municipal/city administration to fund education infrastructure as a public good, and they might be serviced through revenues generated by projects.
- Scope of universities issuing bonds may be assessed for development of HEIs from funds generated.
- Alternatively, regular income infrastructure bonds could also be assessed for suitability in financing educational infrastructure needs of HEIs.

The foreseeable benefit of activating any of these pathways for financing via government backed or private bonds is the provision of patient capital to HEIs as long tenured bonds.

Applicability

Both centrally and state funded HEIs may tap into government guaranteed bonds, issued by different bodies such as DFI, SFCs, or any other government agencies.

Pros

Suitable Characteristics for Education Infrastructure Projects: Government guaranteed bonds have a high acceptance in the market and are characterised by their lower cost of capital. As large capital projects have a longer timeline of 30-40 years, government backed bonds permit the project cost to be spread over this period. Longer maturity period can enable State and Central public HEIs to also undertake initiatives that improve quality over a gradual timeframe.

Ability to Raise Large Sum: A DFI or SFCs harbour greater abilities for raising larger amounts of funds through bond issuance for the developmental activities of individual HEIs.

Low Interest Credit Matching Social Objective: Availability of low interest loans from SFC/DFI/other government agencies can help spur capacity addition and GER improvement in underserved regions.

[17] *Dealogic data*
[18] *Office of Finance & Treasury, Princeton University*

Cons

Credit Servicing Ability of HEIs: The ability of institutes to service funds borrowed from DFI or SFC is contingent upon the financial strength and profitability of individual HEIs. Unless HEIs can strengthen alternate sources of revenue, their credit servicing ability will rely entirely on tuition income.

Market Fluctuations: Market fluctuations, particularly in the case of floating interest rate bonds can increase the overall borrowing costs for universities and make it further difficult for them to service their debt.

Way Forward

Regulatory Reforms: Regulatory reforms may be carried out (in the Companies Act etc.) to enable private HEIs to issue bonds and avail financing like their global counterparts.

Identification of Eligible HEIs: Eligible HEIs that may float their individual university bonds may be identified on basis of scale, reputation of institute. They may also be informed and empowered through outreach activities for awareness building so that they may issue bonds with defined end use, such as for campus expansion, research projects, hostel buildings, sports infrastructure, skill centres, etc., like their global counterparts.

Capacity Building of HEIs: Institutes may build their capability and expertise at leveraging bond market through the recruitment or consultation services of financial experts in administrative decision making.

Exploring of Green Bonds: HEIs may explore the possibility of floating green bonds for initiatives promoting lower carbon footprint or sustainability in the campus.



Bringing Education-Infrastructure Under the Priority Sector Lending

Overview

Priority Sectors are those sectors, which the GoI and RBI consider important for the development of the basic needs of the country and hence are to be given priority over other sectors. The banks are mandated to encourage the growth of such sectors with adequate and timely credit. The categories under priority sector include Agriculture, Micro, Small and Medium Enterprises, Export Credit, Education, Housing, Social Infrastructure, Renewable Energy, and others. RBI lays down the lending targets for various types of banks in terms of percentage of Adjusted Net Bank Credit (ANBC) of the bank to various sectors.

Applicability

Presently loans to higher education institutes are not eligible for priority sector lending. The following categories are eligible with respect to education sector[19]:

- Loans to individuals for educational purposes, including vocational courses, not exceeding INR 20 lakhs will be considered as eligible for priority sector classification.
- Bank loans up to a limit of INR 5 crores per borrower for building social infrastructure for activities namely schools, healthcare facilities, drinking water facilities and sanitation facilities in Tier II to Tier VI centres.

It is proposed that the loans to higher education institutes be brought under the purview of priority sector lending to facilitate availability of credit to HEIs. Loans to higher education institutes in aspirational districts or under-served districts may also be proposed.

Pros

Availability of Low-Cost Credit: Easy availability of low interest loans can help spur capacity addition in HEIs and GER improvement in underserved regions.

Greater Avenue for Banks to Meet PSL Targets: Addition of loans to higher education institutes will provide another avenue to banks to achieve their PSL targets. Loans to higher educational institutes is expected to be attractive to banks as a PSL sector is because of the larger loan value hence faster achievement of PSL target.

Cons

Collateral Requirements: HEIs may not be regulatorily allowed to pledge the infrastructure and buildings as collateral to get the loan. Hence alternate mechanism, such as securitization of future students' fees etc., will be required to be explored.

Ability to Service the Loans: HEIs in the absence of a strong revenue stream may find it difficult to repay the principal and interest. HEIs might resort to increase in tuition fees which may make higher education affordable to many students thus proving counter-intuitive to the objective of improving GER. Several HEIs may be regulatorily bound to keep fees at a minimal level thus limiting their capacity to repay loans.

Large Proportion of NPAs and Mismanagement: Typical PSL loans have a greater proportion of non-performing assets. Hence, by bringing loans to HEIs under PSL may impact credit worthiness of the sector. The lending targets under PSL despite poor performance of loans may also lead to scope for mismanagement.

[19] *RBI Website*

Way Forward

- A consultation may be held with CMD/CEOs of selected banks and with priority sector heads of selected banks.
- Credit rating agencies may be consulted and involved as stakeholders for ensuring bankability of counter party.
- Based on the feedback from the consultation, RBI may decide to make certain additions and amendments in the guidelines on priority sector to include loans to higher education institutes.



Avenues of Foreign Direct Investment (FDI) in Education Sector

Overview

The higher education sector in India is a promising field for Foreign Direct Investment (FDI). 100% FDI is permitted in Indian education sector under the automatic route (Invest India). As per Invest India, between April 2000 to June 2023, India received USD 9.3 billion FDI in education. The recent regulations i.e. IFSCA (Setting Up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 and UGC (Setting Up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023 have paved the way for foreign institutes to establish offshore campuses in India. Based on the IFSCA Regulations 2022 the University of Wollongong and the Deakin University from Australia are setting up their campuses in GIFT City, Gandhinagar. Ease of doing business can be improved to facilitate greater number of foreign higher education players to establish offshore campus in India. Further, modifying the current requirement of establishing a campus in GIFT to add more locations will also encourage foreign higher education players.

Applicability

Eligible higher education institutions as per IFSCA (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 and UGC (Setting Up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023 can establish a campus in India.

Case Study

The University of Wollongong (UOW) and Deakin University, two renowned Australian universities, have established their campuses in India at GIFT City, Gandhinagar facilitated by the IFSCA Regulations 2022. These regulations allow foreign institutes to open offshore campuses in India and enter joint ventures with Indian institutes. Deakin University is planning to offer two masters programs design to produce highly skilled professionals for the rapidly advancing digital economy in India and across the globe. On the other hand, UOW is planning to offer both graduate and postgraduate programs. This venture not only marks their entry into the Indian education sector but also paves the way for future collaborations and educational advancements.

Pros

Cost of Foreign Debt Capital is Lower than INR Denominated Loans: The cost of external commercial borrowings may be lesser than borrowing domestically due to lower interest rates prevailing abroad, and thus can be evaluated for suitability in meeting financing needs of HEIs.

Exposure to International Standards of Education: Students get access to high-quality education at international standards within India. This not only reduces the cost of education significantly, but also exposes students to global best practices.

Improved Education Ecosystem: The entry of foreign players will increase the competition among educational institutions. This could drive innovation and improvements in teaching methods, infrastructure, and course offerings, thereby enhancing the overall quality of education in India.

Economic Benefits: When students choose to study in India instead of going abroad, the outward flow of foreign exchange is reduced. This means that a significant amount of money that would have otherwise left the country, stays within the Indian economy. This can lead to economic growth and development.

Cons

Geo-Political Risk: Geo-political scenario and international relations will have a bearing on the operations of foreign university campuses in India.

Affordability and Scaling Up: Given the thrust on high-quality at par with international standards, the affordability, and the model of scaling up will have to be explored.

Foreign Borrowing Risks: Institutes may access dollar denominated debt by purchasing bonds and hedging through forwards. Exposure to forex risks may be prevalent though in this route.

Way Forward

- A single window application mechanism can improve the ease of doing business for foreign universities to set up a Higher Education Institutions in India.
- Bilateral dialogue can be facilitated with countries like UK and Australia, whose HEIs have shown interest in setting up campuses in India.
- Further, consultation on modifying the current requirement of establishing a campus in GIFT to add more locations will also encourage foreign higher education players.



Development of Finance Products by Financial Institutions to Fund the Research Activities

About

The following options may be explored for expanding funding for research:

- Tapping IFI funding for research in the priority areas for IFIs e.g., public health, sanitation, skill development etc.
- Tapping CSR and philanthropic funds to expand the scale of fellowship schemes, such as PMRF, PMF etc.

Applicability

These options will be largely applicable to govt. funded HEIs.

Pros

Technical Expertise of IFIs: IFIs involvement will bring rigor to the research projects and the research may benefit from IFIs technical expertise and international best practices.

Greater Industry Academia Collaboration: CSR/industry funding may pave the way for greater industry academia collaboration.

Cons

Limited Areas of Research: IFIs will primarily fund research, in certain priority areas which are of relevance to them. In such cases, certain areas of research which are of focus for HEIs might not be relevant to IFIs.

Applicability to Limited HEIs: Funding from fellowship schemes and IFI funding may only fund top ranked HEIs.

Vulnerable to the Interests of Donor Agencies: Dependence on donor/IFI/philanthropic funding may not be a sustainable option for funding and is dependent on IFIs' priority areas, priority geographies and budget which may vary year on year.

Way Forward

- HEIs may be encouraged to launch special purpose endowment funds for developing research capacity and infrastructure in their institute through replicating best practices model followed by institutes like UPES, IITs, etc.
- Capacity building of HEIs may be carried out to enable them for better industry collaboration to fund their research activities and monetize research outcomes, such as I&P royalty.
- Small institutes are often unable to avail research funding due to lack of awareness and national mission projects may also overlook smaller institutes. The scope of creating a database/platform may be assessed, where institutes can mention their core capabilities and bid for the funding, individually or in collaboration with other institutes.
- Consultation with India representatives of IFIs to understand priority areas for research and potential research projects in pipeline may be carried out.
- Consultation with core committee members of flagship fellowship schemes to tap philanthropic and CSR funding may be carried out.

Engagement with Private Sector Through Public Private Partnership

About

Public Private Partnership aims at active participation of private sector in development of higher education by tapping into their monetary and non-monetary resources. The involvement of private sector can be in non-core education services like infrastructure development, outsourcing operations, and financial management etc., and core education services like research activities, education delivery etc. Involvement of private sector improves helps improve the working capital requirement, eases the financial burden, and allows HEIs to focus on core academic and research activities.

Applicability

Public universities and colleges.

Case Study

- Good Host Spaces Pvt. Limited founded in 2017 own and operate student housing in and around several educational institutions in India. Presently, they are operating student hostels for Manipal University, OP Jindal, Shoolini University in a Build-Own–Operate–Transfer (BOOT) and Management services models. The institution gets into a long-term lease partnership with PBSA operator and provides the real estate with a commitment of minimum number of students. The operator builds, operate, and manage the student hostel on a fee/revenue sharing basis with the institution. By outsourcing student accommodation to student housing companies, Higher Education Institutions can preserve their capital and utilise it on core academic and research activities.
- 20 IIITs were established in India in Public Private Partnership model. The capital cost of the each IIIT will be borne in the ratio of 50:35:15 by the Central Government, the State Government, and the Industry Partner(s) respectively and in ratio of 57.5:35:7.5 in case of North-Eastern region. Industry partner is expected to fund and contribute towards research labs, infrastructure, research projects with students, internship and job opportunities, adjunct faculty, Ph.D. sponsorships and curriculum development.

Pros

Freeing Up of HEI Capital: Outsourcing non-core activities will help HEIs to preserve their capital and utilise it on core academic and research activities.

Transfer of Risks: The private sector in the Higher Education takes significant portion of risk involved there by reducing and transferring the execution/operation risk from public sector stakeholder.

Better Efficiency: The chances of time and cost over-run are reduced owing to deployment of expert professionals.

Cons

Governance Issue: The involvement of private partners in board leads to varied opinions on running of the institute and will reduce the control on decision making in the university.

Way Forward

- Scalability of Purpose-Built Student Accommodation (PBSA) models may be assessed to free up capital and improve the cash flows.
- A subvention financing structure can be implemented in partnership with NBFCs, where the NBFCs underwrite the tuition fees for students, thereby improving cash flow and reducing capital costs for the HEIs. Under this arrangement, HEIs collaborate with NBFCs to receive an advance on the tuition fees, inclusive of a cash discount. In return, students are offered a 0% EMI loan to pay their fees, making education more affordable without any interest burden. This model creates a win-win situation for all stakeholders: HEIs benefit from improved cash flow, NBFCs gain business opportunities, and students receive accessible financing for their education.

Implementation Challenges

The higher education financing ecosystem faces several challenges that often interlinked at systemic, institutional and student level. For instance, the lack of diverse revenue sources for HEIs affects their financial sustainability and increases their dependency on tuition fee income. This in turn leads to rising tuition costs for students, increases their debt burden. Subsequently, the lack of student financial aid from HEIs reduces overall quality of admissions and can have a bearing on the diversity, reputation, and quality of graduates from the institute. To break this reliance on tuition fee and to accommodate diverse student needs, HEIs need to adopt a combination of innovative financing models discussed above.

Many of the recommended options for higher education financing in this paper are currently in a nascent stage and have their own set of issues and challenges which need to be addressed to facilitate implementation.

Lack of Financial Products Serving the Sector Specific Needs

- Lack of loan products that are customised to match the unique asset-liability needs of Indian HEIs.
- Lack of financing products dedicated to supporting expansion of research and development activities in HEIs.

Need for Improving and Scaling Up Existing Solutions

- Limited access to affordable credit avenues and sources of funds for HEIs.
- Limited scope for collaboration with foreign players and FDI inflow for smaller institutes.
- Organised access to alumni donations, CSR funds, public philanthropy yet to be channelled by all categories of HEIs.
- Public private partnership models only prevalent in few groups of HEIs and yet to be scaled pan-India.
- Lack of awareness and structured roadmap for HEIs to avail funding through newer mechanism, such as Social Stock Exchange.
- Adoption of income generation by setting up endowment fund needs to be scaled up by HEIs.

Regulatory Challenges

- Regulations restraining HEIs to mobilise finances by issuance of bonds.
- Limitations for HEIs to retain stock options or equity shares to leverage future appreciation in value.
- Limitations in financing through mobilising domestic savings, global pension funds, investments via Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), etc.



Recommendations

Outreach and Generating Awareness

- Awareness generation activities for investors may be undertaken to popularise the idea of SSE as effectiveness of the platform is dependent on investor interest and awareness. Outreach activities may also be conducted to generate awareness about Social Stock Exchange amongst HEIs. Capacity building of HEIs may be undertaken to adhere to regulatory norms and participate on Social Stock Exchange.
- HEIs should establish dedicated Public Relations and outreach teams to nurture strong alumni and community connections. Effective communication about the need and impact of philanthropic contributions will encourage greater donations and philanthropic funds.
- Model HEIs may be shortlisted and encouraged to avail of financing solutions like SSE, and availing credit via NaBFID for leading by example and generating awareness among HEIs.

Consultation with Key Stakeholders

- Discussions and deliberations with various IFIs may be carried out to understand their priority or interest areas and required processes for aiding HEIs in documentation.
- A consultation regarding inclusion of credit to Higher Education Institutions under PSL may be held with CMD/CEOs of selected banks and with priority sector heads of selected banks. Based on the feedback from the consultation, RBI may decide to make certain additions and amendments in the guidelines on priority sector to include loans to higher education institutes. Credit ratings agencies may also be consulted for ensuring bankability of counter party.
- A stakeholder consultation with India representatives of IFIs to understand priority areas for research and potential research projects in pipeline may be undertaken. Further, a consultation with core committee members of flagship fellowship schemes, such as PMRF and PMF may be conducted to tap philanthropic and CSR funding.
- Engaging in bilateral dialogues with parent countries of HEIs interested in opening campuses in India may increase number of participating institutions for FDI. Deliberations with countries like UK, Australia may be initiated.

Capacity Building of HEIs

- HEIs need to reduce their dependence of tuition-fees income and explore fund-raising through alternate sources to support academic activities and university expansion plans. For this purpose, HEIs should consider professional financial services for advisory and handholding while navigating SSE, management of endowment funds, investments, etc.
- Capacity building of HEIs may be undertaken to adhere to regulatory norms and participate on SSE and other avenues of financing. They may also benefit from exposure on proposal making and request for grants to acquire funding from IFIs.
- A program for capacity building of HEIs on basic financial management, loan management cash flow management etc., may be formulated.
- Capacity building of HEIs may be carried out to enable them for better industry collaboration to fund their research activities and monetize research outcomes, such as I&P royalty.
- HEIs may be provided exposure and awareness on various models for PPP and required capabilities for collaborating in such arrangements and channelling their resources for more efficient usage.

Process Reforms

- A platform for state and centrally funded Higher Education Institutions may be developed to list their proposals for funding requirement along with development impact. Further, the government can promote the platform across the IFIs and enable them to select projects meeting their criteria to sanction the funds.
- Implementing a single window application system can streamline the process for foreign universities looking to establish Higher Education Institutions in India thereby enhancing the ease of doing business.
- HEIs may be encouraged to adopt best practices and launch special purpose endowment funds for developing research capacity and infrastructure in their institute.
- A database/platform may be created for HEIs to bid for research funding individually or in collaboration to combine their core capabilities for research project grants.
- PPP models for student hostel accommodation or student loans may be explored by HEIs for efficient use of finances and capital.
- Financial instruments and loan products suited to the unique needs of HEIs may be designed by NaBFID and promoted to HEIs through outreach activities. The distinct working model and advantages of NaBFID credit from existing forms of credit may also be promoted for improved awareness of HEIs.

Regulatory Reforms

- As per regulations, there are limitations to donations that can be accepted by HEIs. Corporates often donate stock options or equity shares to HEIs. Allowing HEIs to accept and retain equity may be considered to leverage the appreciating value of stocks over a period. This would reduce dependence on government as HEIs could benefit monetarily from home-grown entrepreneurship and industry expansion.
- Pilot projects may be planned and implemented to evaluate the impact of launching government guaranteed bonds in higher education sector prior to large-scale rollout.

  Allowing foreign donations in SSE as well as CSR grants for better mobilization and monitoring of funds may be considered. The minimum investment amount stipulated for donations (i.e., INR 10,000) may also be reassessed, and tax benefits to investors donating via SSE may also be considered.
- Setting up of a platform with associated mechanisms and processes for SFCs and DFI to be able to issue higher education bonds under regulatory overview may be planned. Regulatory reforms may also be carried out to enable eligible HEIs to issue bonds.
- A co-financing mechanism, where the government matches donations received by government HEIs may be explored. This approach not only doubles the impact of each contribution but also motivates institutions that might have been conventionally reliant on grants to actively seek philanthropic funds.
- The current requirement of establishing a campus in GIFT may be modified to add more locations, which will also encourage foreign higher education players and widen their reach.
- The possibility of mobilising domestic savings, global pension funds, investments via Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), etc., may also be explored through regulatory reforms to enable channelling of funds into education sector.

Action Points for Stakeholders

Stakeholders	Short-Term Action Points	Medium to Long-Term Action Points
Public Philanthropy		
Government/Regulator	Review of regulations on donations to HEIs to assess scope of allowing retention of stock options or equity shares as donations with HEIs.	Design and launch of co-financing mechanism, where government matches donations received by government HEIs.
HEIs	Establishment of dedicated public relations and outreach teams to increase CSR contributions, alumni, and philanthropic donations.	Publishing of annual reports, conducting periodic events for donor engagement, digital marketing campaigns, offering naming rights to donors as strategies to increase donations.
Social Stock Exchange		
Government/Regulator	Awareness generation activities to popularise SSE for investors and among HEIs as a platform for financing.	• Capacity building of HEIs to get listed and participate on SSE successfully. • Allowing foreign donations, CSR grants in SSE may be considered. • The minimum investment amount stipulated for donations (i.e., Rs 10,000) and tax benefits to investors may be reassessed.
HEIs	Identification and onboarding appropriate professional financial services for advisory and handholding while navigating SSE.	Identification of projects and institution's endeavours that may be listed on SSE for social impact financing and preparation of fund raising document, application, publicity etc.
Borrowing from Multilateral Agencies		
Government/Regulator	• Stakeholder consultation with country level representatives of IFIs to understand priority areas of lending and grants that HEIs may target. • Capacity building of HEIs on proposal making and request for grants to acquire funding from IFIs.	A platform for state and centrally funded Higher Education Institutions may be developed to list their proposals for funding requirement along with development impact to facilitate multilateral borrowings.
HEIs	Developing institutional capability for preparing RFPs, complying with IFI checklists and application process, identification of grant heads under which projects may be planned.	

Stakeholders	Short-Term Action Points	Medium to Long-Term Action Points
FDI in Education Sector		
Government/Regulator	Development of a single window application system to streamline the process for foreign universities looking to establish Higher Education Institutions in India.	• Outreach efforts with international HEIs interested to open campuses. • Current provision of establishing a campus in GIFT may be modified to add more locations. • Possibility of mobilizing global pension funds may be explored.
Credit from Scheduled Commercial Banks		
Government/Regulator	A program for capacity building of HEIs on basic financial management, loan management cash flow management etc., may be formulated.	Regulations to enable innovative asset backed financing of HEIs may be reviewed. E.g. – use of land and buildings as collateral.
Credit via NaBFID		
NaBFID	Promotion of existing forms of credit offered by NaBFID for improved awareness of HEIs.	Design of financial instruments and loan products suited to needs of HEIs.
Government Guaranteed Bonds		
Government/Regulator	Regulatory reforms to enable eligible HEIs to issue bonds may be reviewed.	• Mechanisms for SFCs and DFI to be able to issue higher education bonds may be planned. • Pilot projects may be planned and implemented to evaluate the impact of launching Government Guaranteed Bonds in higher education sector prior to large-scale rollout.
Finance Products to Fund Research Activities		
Government/Regulator	Consultation with core committee members of flagship fellowship schemes, such as PMRF and PMF to tap diverse sources of financing.	• A database/platform may be created for HEIs to bid for research funding individually or in collaboration to combine their core capabilities for research project grants. • Capacity building of HEIs may be carried out to enable them for better industry collaboration to fund their research activities and monetize research outcomes, such as I&P royalty.
HEIs	Launching of special purpose endowment funds for developing research capacity and infrastructure.	

Stakeholders	Short-Term Action Points	Medium to Long-Term Action Points
Priority Sector Lending to Education Infrastructure		
Government/Regulator	Consultations with CMD/CEOs of selected banks, and credit rating agencies for enabling credit flow to HEIs with bankability may be conducted.	Regulatory reforms to bring education infrastructure under PSL may be reviewed and taken up.
Public-Private Partnership		
Government/Regulator	Awareness and exposure to HEIs on models of PPP and required capabilities for collaborating in such arrangements.	State/UT specific regulatory revisions to enable ease of doing business and encouragement of PPP.
HEIs	Best practices and successful models followed by HEIs may be imbibed for capacity strengthening.	PPP models for student loans, student accommodation etc. may be implemented.
Additional/Miscellaneous		
Government/Regulator		The possibility of mobilizing domestic savings, investments via Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), etc., may be explored.



Annexure I – Foreign Contribution Regulation Act

Enabling Foreign Investment by Facilitating FHEIs to Set Up in India

The University Grants Commission (UGC) has issued regulations in alignment with the recommendations of NEP 2020 for the establishment and operation of campuses of highly ranked Foreign Higher Educational Institutions (FHEI) in India. These regulations create a legislative framework that allows foreign HEIs to set up campuses in India with exemptions related to regulations and governance. Soon, the Deakin University and the University of Wollongong have looking to commence operations at their international branch campuses in India soon. However, several provisions in the Foreign Contribution (Regulation) Act, 2010 are not conducive to enable FHEIs to set up a campus in India.

- If an FHEI wishes to receive or utilise donations from any foreign source in its Indian campus, it must obtain prior permission from the Government of India and comply with the provisions of the Foreign Contribution (Regulation) Act, 2010[20] (FCRA 2010), as trust, society, or section 8 company. However, prior permission shall be valid until the receipt of a specific amount from specific donor(s) for carrying out specific activities/projects, along with other conditions. Further, an organization must be in existence for at least three years before it is eligible for registration, and once registered, the validity of registration is for 5 years[21]. This limited validity may discourage investment and fund mobilisation by foreign HEIs.
- Organisations with foreign nationals, as members of their executive committees or governing bodies, who are not of Indian origin, are not allowed to receive foreign contributions. Usually Foreign Higher Educational Institutions (FHEIs) have foreign nationals on their board and in top management positions such as deans and provosts. This rule could discourage investment for setting up foreign HEIs in India.
- There is a cap on the percentage of foreign funding that can be used for administrative purposes, which is currently set at 20% of the total foreign contribution. More clarity is needed on the definition of definition of 'administrative expenses' and the expenses falling in the category of 'directly relating to achieving the main objectives of the institution'.

By addressing the above concerns, the ease of doing business for FHEIs in India may be enhanced, paving the way for greater participation of FHEIs in India.

[20] The Foreign Contribution (Regulation) Act, 2010
[21] FAQs on FCRA, MHA



Annexure II – Case Study on IIT Madras

Case Study: IIT Madras's Strategy in Raising Record Funds Through Alumni and Corporates

Introduction

IIT Madras raised a record funding of INR 513.38 crores during 2023-24 from industry, alumni, and individual donors together along with new pledges of INR 717.8 crores for the financial year 2024-25. A total of 1,072 donors have contributed INR 513.38 crores, out of which a staggering amount of INR 368.19 crores was donated by its alumni followed by INR 95.53 crores from CSR initiatives and INR 49.64 crores from individual donors. Of the new pledges of INR 717.8 crores for 2024-25, the alumni committed INR 455.6 crores followed by INR 262.2 crores commitments from corporates. Some of the projects and activities for which the funds were raised are a) centers, labs, research projects across various social impact themes, infrastructure, scholarships, and chair professorships etc. The overall funding for IIT Madras in FY23 has grown at a CAGR[22] of 45% over the last 10 years. IIT Madras was able to build a highly scalable fund-raising model by strategically leveraging its robust alumni network of 50,000+ and industry connects. The institute funding from alumni and corporates has increased by 122% in FY24 compared to 76% in FY 23 and 30 % in FY 22.

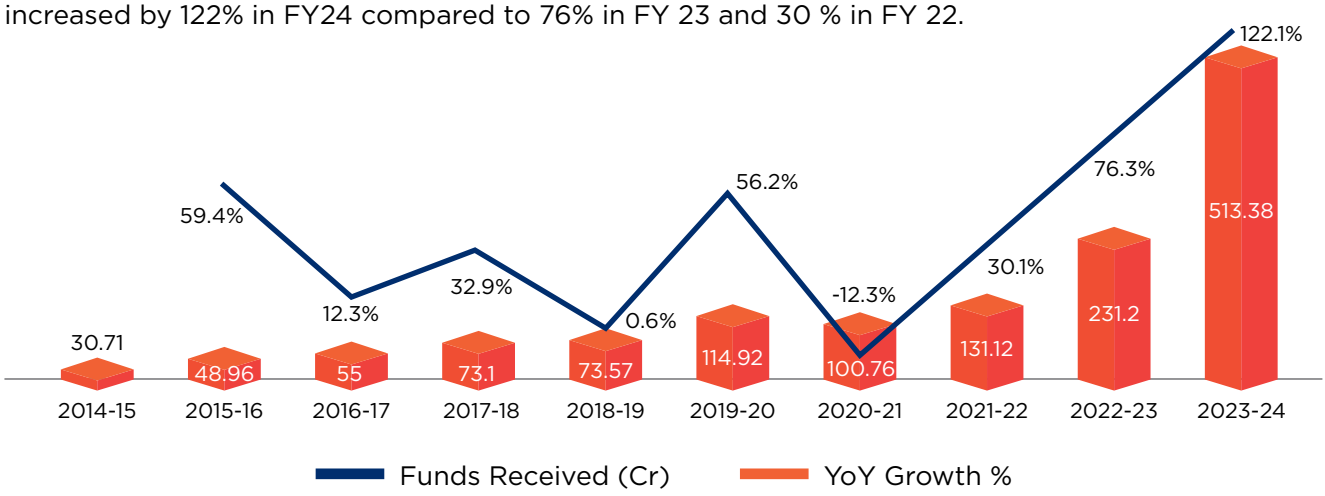


Figure 2: YoY funding received by IIT Madras and percentage growth.

Some of Major Contributors in 2022-23[23]

Individual Donors

- A.S. Trust
- Karkinos Healthcare Private Limited
- Nandan Nilekani
- Power Grid Corporation of India Limited
- Kris Gopalakrishnan

CSR

- Power Grid Corporation of India Limited
- Intel Technology India Private Limited
- Kotak Mahindra Bank Limited
- Prazim Trading and Investment Company Private Limited
- Mphasis Limited

Alumni, Alumni Trusts, and High Net Worth Individuals

- A.S. Trust
- Nandan Nilekani
- Kris Gopalakrishnan
- N. Lakshmi Narayanan
- Ram Shriram

[22] *Press information bureau on IIT Madras on fund raising.*
[23] *Annual giving report 2022-2023, IIT Madras*

Implementing Body

Office of Alumni & Corporate Relations (A&CR) and Office of institutional advancement.

Target Objective

- To establish and maintain strong relationships with existing and new alumni and corporates along with continuous engagement.
- To raise funds from corporates and alumni for research, technology, education, and infrastructure at IIT Madras.
- To raise a total amount of 125 crores per annum of CSR/Corporate grants by 2027.
- To raise a total amount of 250 crores per annum from alumni by 2027.
- To build a research endowment of 1,000 crores for creation of Centers of Excellence.

Target Audience

IITM alumni, corporates, and individual well wishers.

Components

- Joy of Giving Platform: A centralised information platform has been developed for fundraising and dissemination of information.
- Office of Alumni & Corporate Relations (A&CR), office of institutional advancement along with IIT Madras associations and foundation for establishing, maintaining and engagement with alumni and corporates and raising funds.
- The donors are provided with array of options for funding/donating, such as named chairs, endowments, reunion, student/faculty awards, scholarship, travel grants, innovation and entrepreneurship hubs/centres/incubators/cells, research projects, infrastructure-hostel/departments, events, and general funds.
- The donors are recognised for contribution in the form of achievement awards, featuring on donor wall, involvement in lecture series/workshops/webinars, infrastructure/department naming, chapter meets/alumni meet/reunions.

How it is Achieved

Clear Strategic Vision[24]: IIT Madras develops a strategic plan for every 7 years (latest being 2021-27) consisting of key targets to be achieved and activities to be implemented across various areas including funding. This plan sets the tune for the growth of the institute and the targets are continuously monitored by the core administration.

Transparency and Accountability: IIT Madras documents and provide regular communication on utilization of funds and outcomes to the donors. The institute also communicates key target achievements of the previous strategic plan along with the new laid out plan to provide the donors with insights on the institute priorities and developments.

Strong Volunteer Network: IIT Madras has established associations and foundations across the global for collaborations, networking and fund raising. Below are the list of the foundations and communities established by IIT Madras/Alumni.

- IIT Madras Alumni Association[25]
- SocIITy[27] a corporate and CSR fundraising entity of IIT Madras
- Canadian friends of IIT Madras[29]
- IIT Madras Alumni Association of North America (IITMAANA)[26] for IITM alumni in USA, Canada, and Mexico
- IIT Madras foundation[28] - for IITM alumni US

[24] *Strategic plan 2021-27 report, IIM Madras*
[25] *IIT Madras Alumni Association website*
[26] *IIT Madras Alumni Association of North America website*
[27] *Corporate and CSR fundraising, IIT Madras Website*
[28] *IIT Madras foundation Website*
[29] *Canadian friends of IIT Madras Website*

Pitching CSR Qualifying Projects: Pitching directly to industry through SocIITy to invest their CSR contribution into IIT Madras projects that qualify under CSR. Such projects include IITM incubators, socially relevant projects, designing R&D programmes with the industry and Scholarships for economically challenged students.

Leveraging IIT Madras Reputation: IIT Madras promoted the completed projects, faculty expertise and innovative technology-driven solutions for attracting industry to fund potential projects that lined up.

Repeat Donors: IIT Madras focused on attracting funding from the repeat donors who are satisfied by the progress and high impact their previous funding has created.

Engagement Strategy: IIT Madras engages with graduates and postgraduates within five years of their graduation at different capacities like speakers, mentoring, committee memberships etc. UG graduates are engaged through hostels and PG alumni are engaged through departments. The immediate passed out graduates have more affinity towards the institute and engaging with them at early stages motivate the alumni to contribute and benefit from the institute for a longer period.

Messaging and Tone: The messaging/communication comprises of a subtle emotional appeal for funds keeping the donors at centre stage as valuable assets and clearing emphasizing that this generous contribution will create impact on students and institute as a whole and grows IIT Madras leaps and bounds. It gave the donors mutual benefit in the form of high satisfaction for building IIT Madras.

Upselling Programs: IIT Madras hosts open-houses and executive education programs on specialised topics to industry and alumni and upsell the institute cutting edge ideas to them, identify opportunities to collaborate, and appeal for funds.

Outreach Office: The office creates a set of schemes/projects that donors can subscribe/donate/promote along with corporate style presentations of the completed projects, faculty expertise and innovative technology-driven solutions of IITM that will allow firms to check what IITM capabilities fit their strategic thinking.

Leveraging Faculty: Faculty are used as rainmakers to reach out to alumni and corporates for pitching the institute activities, expertise, and innovative technology-driven solutions.

Monitoring and Evaluation

IIT Madras, office of Alumni & Corporate Relations (A&CR), and Office of institutional advancement, further plans to develop a IIT Madras project management system to monitor the utilization of funds and make sure they are used efficiently and impactfully.

Impact and Outcome

- A total of INR 1,416 crores funds raised so far by IIT Madras since FY 2009-10
- 1,300+ projects across various areas got implemented till now
- 11,000+ donors contributed to the growth of IIT Madras
- Built a network of 50,000+ alumni[30]
- 10,000+ student benefitted
- 1,827 research journals have been published
- Supported 200 startups
- 37 Centre of excellence has been established

[30] *Alumni and corporate relations, IIT Madras website*

Impact and Outcome

- Institute should carve out a strategic plan for the institute development with key targets along with the funding requirement and align activities to meet the said objectives.
- Use of institute faculty expertise, completed projects, technology driven solutions to identify opportunities to collaborate with donors, and appeal for funds.
- Message to comprise an emotional appeal for funds keeping the donor at the paramount level clearing emphasizing their contribution will create impact on students and institute.
- A robust volunteer network of alumni and corporates to be built and engaged in the form of association, foundation or chapters for fund raising and marketing.
- To regularly communicate the utilization of funds and outcomes to the donors, which will increase the accountability and transparency.
- Pitching directly to industry to invest their CSR contribution into projects that qualify under CSR.
- An array of options must be provided for funding/donating so that donors can be able to make min/max contribution as per his/her capacity.
- To engage with passed out students at early stages which may motivate them to contribute and benefit from the institute for a longer period due to their high affinity towards institute.
- Institute can offer executive education programmes to industry/alumni and leverage the opportunity of showcasing the cutting-edge ideas to them and request for funds.
- A dedicated office with high motivated team to be set along with a web portal for collaborations, networking and fund raising.



Annexure III – Case Study on Social Stock Exchanges

Case Study: Best Practices from Global Social Stock Exchanges

Introduction

A Social Stock Exchange (SSE) is a digital platform dedicated towards enabling fund raising and social impact investing. While operating like a regular stock exchange in terms of listing investment opportunities, the SSE listed companies are required to establish their social nature.

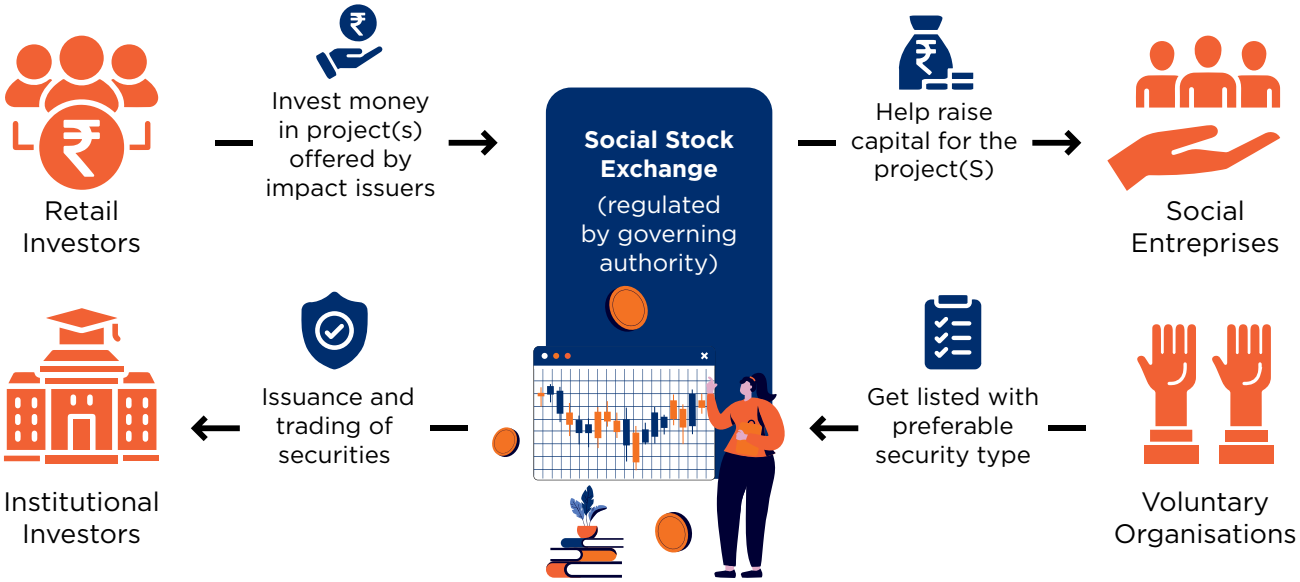


Figure 3 - Representative model of SSE (Source: KPMG, 2020)

Such platforms enable greater synergy towards achieving social objectives, by connecting social enterprises with investors valuing similar impact achievement goals. Various countries, such as Brazil, UK, Canada, Singapore, South Africa, Jamaica etc., have launched their SSEs, with some of them no longer operational or existing in their initial form. There were various approaches followed by individual countries, that vary based on:

- Type of investors allowed on the SSE (retail investors, institutional investors, foreign funders, etc.)
- Housing of the SSE under an existing stock exchange or stand-alone
- Type of returns (social, financial, environmental in nature)
- Targeted areas/sectors of focus for the SSE (education, skill and livelihoods, environment, etc.)
- Services offered to the investors and investees, etc. (capacity building, advisory, marketing, social broking, portfolio management, etc.)

Introduction

Some of the objectives of SSE are as follows:

- Improved market access for social enterprises and potential investors
- Accountability and transparency due to rigorous metrics and performance tracking
- Strengthening of performance based philanthropic culture in India
- Reduced financing burden on government with greater participation of private players
- Diverse and sustained streams of finance for capital inflow of social enterprises

Key Takeaways

Demand for SSE: Many of SSEs launched across various countries were active for few years but were eventually closed. In developmental stages, SSEs have historically faced various challenges like high operational costs, failure in developing a sizeable market for social investments, creating a sufficiently large user base for SSE, etc. The SSE in India launched via NSE and BSE will have to create demand for itself to prevent early closure and strive for long-term enduring sustainability. Developing strategies for donor and investor awareness would be critical for increasing the demand and user base of SSE.

- The UK Social Stock Exchange (SSX) held frequent campaigns targeted at donors and investors to promote engagement at a deeper level.
- The Canada Social Venture Connexion (SVX) organised investment readiness programs to build impact investment both online and offline.

Independent Decision Making[31]: Existing and successful SSEs have typically had independent functioning in terms of their decision making, leadership, management, and operations. E.g.:

- The Canada Social Venture Connexion (SVX) functions as an independent non-profit agency with a six-member governing board that submits reports to Ontario Securities Commission.
- The Jamaica Social Stock Exchange (JSSE) has an independent board and team as well despite being created as the CSR program of the Jamaica Stock Exchange.

Scale of Listed Organizations[32]: Generally, the organizations listed on SSE tend to be mid to large sized. In developing countries, a significant number of not-for-profit organizations tend to be on the smaller side in comparison and relatively lacking in capabilities required to meet reporting norms, listing procedure, etc. Capacity building of smaller organizations may be undertaken to enable and empower them in listing and participating on the SSE.

- By 2021, out of the 36 for-profits listed on UK SSE and reporting annual revenues, 25 organizations reported median revenue of USD 8.2 million.
- By 2021, from the annual revenue disclosures the 3 social enterprises listed on Canada SSE reported median revenue of USD 4.7 million.

Financial Viability of SSE[33]: A critical success factor for existing SSEs has been their financial sustainability. This was achieved through various means, such as charging of membership fees, charging of listing and consultation fees, mobilizing CSR and philanthropy funds, etc.

- The Rockefeller Foundation provided philanthropic funding to 4 SSEs, i.e., in UK, Canada, Singapore, South Africa for kickstarting operations. The Gulbenkian Foundation provided philanthropic financing to SSE in Portugal, among other donors and grant providers, and the SSE did not levy any listing fees or participation charges to investors and organisations.
- The Jamaica SSE has a self-sustaining revenue model that charges 10% of funds raised through its platform by organisations.

Innovative Financial Instruments: The SSEs housed in various countries have launched different innovative financial instruments for catering to customised requirements and needs in their social impact investment ecosystem. For example:

- Singapore's Impact Investing Exchange issued the Women Livelihood Bonds. It has also set up mechanisms to help social organizations evolve from ideation to pre-IPO stage and further maturity levels through the creation of Impact Accelerator (early seed capital to entities) and IIX Growth Fund (for supporting in bridge capital and expansion pre-IPO)[34].

[31]Social Stock Exchange: New Paradigm for Social Enterprises (Mehra, Vij, 2023)
[32]Social Stock Exchange: What India can learn from global examples (India Development Review, 2021)
[33]Creating a Truly Social Stock Exchange, 2021 (by International Center for Not-For-Profit Law, Samhita)
[34]Creating a Truly Social Stock Exchange, 2021 (by International Center for Not-For-Profit Law, Samhita)

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Interviewees

Name	Organization
Prof. Dishant Kamdar	Flame University
Dr. S. Vaidhyasubramanian	SASTRA (Deemed University)
Prof. (Dr.) Ananya Mukherjee	Shiv Nadar University
Prof. (Dr.) Pradipta Kumar Nanda	Siksha O Anusandhan
Dr. R. Raman	Symbiosis University
Prof. Rajan Saxena	NMIMS (Former)
Lt. Gen. (Dr.) M. D. Venkatesh	Manipal Academy of Higher Education
Mr. Samir Somaiya	Somaiya Vidyavihar University
Mr. Hersh Shah	Institute of Risk Management
Dr. Jagadish Nath	Assam Skill University
Mr. Abhai Vardhan	Thiagrajar College of Engineering
Mr. Abhinav Kapadia	Pandit Deendayal Energy University
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Mr. Madhavan Vilvarayanallur	KPMG
Mr. Ashish Gulati	KPMG
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Mr. Harsha Ankareddy	KPMG
Ms. Aruja Pandey	KPMG



About FICCI Higher Education

For the past two decades, FICCI has been a leading force in shaping India's higher education landscape. Through its strategic partnerships, research-driven initiatives, and advocacy efforts, FICCI has emerged as a potent catalyst for transformative policy changes. The FICCI Higher Education Committee, with its strong representation from industry, academia, and thought leaders, has cultivated dynamic forums for critical discourse and facilitated progressive dialogue, vibrant knowledge exchange, and robust policy advocacy. Over the years, FICCI has been promoting industry-academia collaboration, to compliment the government's growth agenda for the sector.

Key Areas of Work

Research and Knowledge Creation: The Committee publishes several industry reports, policy briefs, and papers that intricately capture the evolution and progress of the higher education sector. Some of these reports are 'Vision 2030 for Higher Education,' 'Transformation of Indian higher education: Strategies to leapfrog,' 'Higher Education in India: Vision 2047,' and 'Leapfrogging to Education 4.0.' Notably, the 'Higher Education Vision 2030' report significantly influenced the design of the National Education Policy (NEP) 2020.

Policy Advocacy: The HE committee collaborates with key stakeholders including government and industry, in actively identifying opportunities and addressing gaps. Through intensive consultations with a diverse array of stakeholders, this collaborative effort unfolds across various conferences, discussions, events, and forums. Brimming with shared wisdom and expertise, these engagements have proven pivotal in propelling the education sector forward in India.

International Delegation of Higher Education Leaders: The Delegation of senior Higher Education Leaders to focused countries has led to exposure to global best practices, facilitated effective teaching and research partnerships, and helped develop a comprehensive global education policy landscape.

FICCI Higher Education Summit (HES): Established in 2004, FICCI HES is a global Education Summit and a sought-after forum for deliberations on the transformation of global higher education, promoting engagement, collaboration, and innovation. The Summit is organized with the support of the Ministry of Education, Govt of India and over the years, has drawn thousands of participants, including education luminaries, policymakers, scholars, and global though leaders.

Higher Education Excellence (HEE) Awards: Launched in 2014, the FICCI Higher Education Excellence Awards recognizes institutions and individuals contributing significantly to promoting quality of higher education in India. The Awards play a crucial role in motivating institutions and promoting a culture of ongoing improvement, serving as a catalyst for excellence and innovation in India's higher education sector.

FICCI Industry Academia Conference (FIAC): The FIAC is a platform for dialogue, deliberation, and policy advocacy to promote collaboration between industry and academia. Through FIAC, FICCI facilitates discussions aimed at encouraging institutions and industry to engage in collaborative research, internships, and initiatives that enhance student employability to propel industrial growth.

FICCI Leadership Development Program (LDP): The FICCI LDP is focused on developing the leadership capabilities of higher education administrators. The program brings together vice chancellors, deans, and other academic leaders to enhance their knowledge and understanding on the effective functioning of institutions.

FICCI EdTech Conclave: The FICCI EdTech Conclave is a platform for discussions on the evolving landscape of educational technology. This conclave is designed to unite senior EdTech leaders, academics, policymakers, government officials, and thought leaders to deliberate on the rapidly evolving EdTech landscape and its effects on education ecosystem.

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About FICCI

Federation of Indian Chambers of Commerce and Industry (FICCI) Established in 1927, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organization, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.