Planning Commission
(Industry Division)

Subject: Proposal for Commissioning a Study on `Assessment of level of achievement of targets proclaimed in the Vision Document, 2015 of M/o Food Processing Industries

1.0 Overview of the Sector

1.1. India is the world's second largest producer of food next to China. The total food production in India is likely to increase significantly in the next 10 years. Side by side, the country's domestic food market estimated to reach US$ 258 billion by 2015. With a huge agriculture sector, abundant livestock, and cost competitiveness, India is poised for fast emerging as a sourcing hub for processed food. The Indian food processing industry accounts for 32 per cent of the country's total food market.

1.2. With a share of around 9-10 per cent of gross domestic product (GDP) in agriculture and manufacturing sector, food processing sector is an important segment of the economy. Currently growing at more than 10% per annum, it is expected to touch US$ 194 billion by 2015 from a value of US$ 121 billion in 2012.of studies. Packaged food industry is the fifth largest sector in India. The industry is currently pegged at US$ 39.7 billion in India and is expected to reach US$ 65.41 billion by 2020.

1.3. The food processing industry in India is a sunrise sector that has gained prominence in recent years. Availability of raw materials, changing lifestyles and relaxation in policies has given a considerable push to the industry's growth. This sector serve as a vital link between the agriculture and industrial segments to improve the value of agricultural produce, ensure remunerative prices to farmers and at the same time create favourable demand for Indian agricultural products in the world market. A well-developed food processing industry is expected to increase farm-gate prices, reduce wastages, ensure value addition, promote crop diversification, generate employment opportunities and boost export earnings.

2.0 Background

2.1. Recognizing the potential of the sector, a Vision Document 2015 on Food Processing Industries was prepared for giving boost to growth of food processing Sector. It envisages trebling the size of the processed food sector by increasing the level of processing of perishables from 6 % to 20 %, value addition from 20 % to 35% and share in global food trade from 1.5 % to 3 %. Under the Vision 2015, the thrust areas identified for strategic intervention are – establishing Mega Food Parks, Modernization of Abattoirs, Cold Chain/Value Addition and Preservation Infrastructure, Upgrading safety and quality of Street Food and Establishment/Upgradation of Quality Control Laboratories.

2.2. Government has identified strategies along with a detailed action plan in this regard to realize the Vision and has taken several growth-stimulating measures. They inter alia include allowing various concessions and incentives like 100% FDI up under automatic route, income tax/ service tax exemptions, and excise duty remission in select cases as well as initiatives like enactment of Food Safety & Standards Act, 2006 and establishment of Food Safety & Standards Authority as a single reference point for regulation and control of food products, taking up various schemes technology up-gradation/ establishment/ modernization, industry-oriented infrastructure development (food park, cold chain, value addition & preservation infrastructure, new/ modernization of Abattoirs) and skill development for food processing sector and most importantly, launching of a `National Mission on Food Processing'.

2.3. The Twelfth Plan Document also recognizes that the growth of food processing sector would need to be a significant component of the strategy for stimulating growth in the domestic manufacturing. This is mainly because food processing industry in India has immense potential for boosting the rural economy as it brings about synergy between consumers, industry and agriculture.

2.4. Despite good showing by the sector, it seems that present growth would be largely inadequate to exploit the full potential of the sector. India's agricultural production base is quite strong, but at the same time wastage of agricultural produce is massive. As per available indications, the current processing levels in India are very low and range from 2.2% in fruits and vegetables to around 35% in milk production. Across all segments, the level value addition is only to the tune of is around 7% compared to 30% in a developing country like Thailand. On the export front, its performance is not at all satisfactory. India's share in world trade in respect of processed foods is only 1.6%. India was ranked 27th in 2006 in terms of trade performance of Processed Food.

2.5 Given the high losses or wastage in the and processing as well as feeble export performance, possibility of achievement of targets of Vision Document, 2015 seems highly unlikely in the medium term. There is widespread apprehension that persisting problems would not allow the sector to realize its export possibilities to its fullest extent. Both these factors may ultimately impair the present growth trend in the sector.

3. Objective

3.1. Under the above scenario, a quick study on the relevant issues pertaining to fulfilment of agenda of Vision, 2015 concerning the domestic food processing industry, understanding the growth pattern of the food processing sector, identifying key constraints and impediments blocking the growth of the sector would provide us with inputs on the initiatives planned and implemented, critical success factors and therefore some key learning. Side by side, it would also be important to study the trend of exports and investigate the reasons for its sub-optimal performance so far.

3.2 The proposed study should be carried out in two parts i.e. first part should deal with matters relating to achievement of targets of Vision, 2015 and general growth pattern of domestic food processing and the second part should focus on export performance. `Terms of References (TOR)' are given in the next section.

4. Terms of References of the proposed study

Part 1 (Achievement of Targets of Vision, 2015)

4.1. To assess the present status and level of achievement vis-avis targets set out in the Vision Document, 2015 of M/o Food Processing Industries in the following areas of domestic food processing sector.

(a) Present size and trend of growth of domestic food processing industry in terms of production, value addition, employment, investments (including FDI)during 11th Plan & first two years of 12th Plan.

(b) Increase in the level of processing of perishables, value addition and share in global food trade in respect of domestic food processing sector.

4.2. To identify the reasons/ factors responsible for shortfall in achievements in the areas mentioned above.

4.3. To examine relevance and effectiveness of the present initiatives/ schemes of the M/o Food Processing Industries in facilitating the achievement of the above targets and improvements/ modifications required.

4.4. To suggest the steps and measures to be taken to achieve the targets of Vision, 2015 at least by end of 12th Plan period.

Part 2 (Export Performance of Food Processing Sector)

4.5. To examine the export potential in the food processing industries in India in terms of volume/ value of exports and in terms of share of global trade in the area of processed foods.

4.6. To analyze the present status, level and trend of exports of processed food during 11th Plan and first 2 years of 12th Plan vis-a-vis targets set out in the Vision Document, 2015 of M/o Food Processing Industries in the following areas of domestic food processing sector.

- To recommend /suggest ways and means to improve the export performance and raising the India's share in global trade.

Planning Commission
(Industries Division)

Study Subject: Transformation of growth in Indian industry from subsidy driven to infrastructure led industrialization.

Background of the Study :

Manufacturing enterprises require good physical infrastructure to be competitive and this means improving transportation, uninterrupted power and adequate land to build. Moreover, the materiality of manufacturing activities also results in more regulations—of safety, pollution, factory inspections, labour conditions—and hence a more complex administration structure too. The quality and efficiency of the physical and administrative infrastructure is a basic requirement for productive manufacturing enterprises.

Towards the end of IXth Plan the need for a substitute intervention like physical infrastructure support to the industry was felt, prior to which the development of Indian Industry was largely subsidy driven. Various State Governments and Central Ministry/Departments even today resort to provide subsidy to lure entrepreneurs in setting up of units. Subsidy was basically an instrument of financial support to the entrepreneurs to reduce the manufacturing cost.

During last decade huge investment on industrial infrastructure creation were made through various schemes/projects under various Ministry/Department. At the same time these Ministries/Departments continued to provide subsidy.

OBJECTIVEOF THE STUDY

The proposed study aims at understanding the impact of both the mechanisms and their efficiency in the changing scenario and whether we can effectively switchover to the infrastructure led industrialisation mechanism.

The study is being made to cover the following purposes:

1. To identify and describe ways and means of reduction of transaction cost to the industry.
2. To identify and describe ways and means to induce infrastructure led industrialisation mechanism
3. To identify and describe ways and means to ensure reduction in subsidy led industrialisation mechanism.

The specific issues to be covered are:

- An Overview of the Indian industry with a view to reduction of transaction cost
    - Infrastructures created during last decade for enhancing industrialization in the country.
    - Subsidy disbursing policies and schemes in the past two decades for supporting entrepreneurs in the country.
    - Various crucial factors to determine their effect on promoting entrepreneurs.
    - Various barriers that hinders the industrial growth in the country.
    - Analysis of the above aspects based on an international best practice.
- Analysis on various existing mechanism involved in inducing industrial growth in the country.
- Impact and sustainability of subsidy vis-à-vis infrastructure with an objective of reducing transaction cost.
- Reason behind likeness of various Government Ministries/Departments, if any, towards subsidy over infrastructure.
- Assessment of future intervention required

- appropriate mechanism required for industrial growth in the country
- Appropriateness of subsidy vis-à-vis infrastructure.
- Strategies for most appropriate infrastructural support.
- Constraints and support required.

The Study will cover above aspects with specific focus on the following :

- Examine the subsidy policies and schemes prevailing in the country by various Central/State Ministries /Departments.
- Examine the infrastructural facilities being provided by various Central/State Ministries /Departments.
- Conduct a survey for understanding the requirement of subsidy vis-à-vis infrastructure or any other intervention.
- Analysis of intervention like subsidy vis-à-vis infrastructure based on international best practices.
- Sector specific analysis on requirement of subsidy vis-à-vis infrastructure.
- Location specific analysis on requirement of subsidy vis-à-vis infrastructure.
- Impact assessment analysis of subsidy vis-à-vis infrastructure.
- Recommendation

Time limit : The study should be completed within a period of six months.

No. of copies of final report : 50

Technical evaluation criteria: The technical evaluation will be based on the following criteria

	Criteria	Weightage
1.	Qualification and Experience of Project Director / Principal Research worker (only one)	30
2.	Previous Research Works/Studies in the economic policy related area and Government sponsored projects/research work in last five years by the institution	20
3.	Previous Research Works/Studies directly related to Manufacturing sector/sub-sectors in last five years.	10
4.	Team Profile (excluding Project Director)	20
5.	Methodology of the study and work plan	20
	Total	100

The above technical qualification criteria will be used for the shortlisting of EOIs. At the next stage while inviting Request for Proposal (RFP), both technical criteria and financial bid will be given weightages.

[redacted]

Planning Commission
(Industries Division)

Name of the Study : Catalysing investment in Manufacturing Sector

Background of the Study :

The sharp slowdown in industrial growth in recent years has been attributed to factors such as the global slowdown, infrastructure bottlenecks, delays in environment clearances and land acquisition for projects, constraints on the availability of core inputs such as power, coal and iron ore, high inflation and interest rates.[i] The 'economic review' by RBI also highlights a need for a paradigm shift in overall industrial policy to not only push growth, but also to make India's industrial sector more competitive.ii New investment announcements in the March 2014 quarter, dropped to Rs.541 billion after a substantial pick up in investment in the past 4 quarters.iii

In the above broad background of slowdown in industry, the declining trend of investments/ stalled projects in manufacturing is a serious cause of concern as it directly affects the creation of productive capacities and creation of jobs.

The proposed study will look into the various aspects affecting the investments in the manufacturing sector and will recommend measures to catalyze investments in the sector in short/medium term.

Scope of the study and terms of references:

The study will analyze the recent trends of investments in different sub-sectors of manufacturing and locate factors influencing the decisions of entrepreneurs for sluggishness in investments. The Study will take into consideration the projections about manufacturing sector in the 12th Five Year Plan. The study will also identify specific sub-sectors where the investments have been highly uneven and difficult to come by. A part of the study will be related to financing of investments of new projects / expansions in manufacturing sector, and the medium term approach of the Banking Sector for financing manufacturing sector projects.

Methodology:

The study will involve analysis of investment trends based on readily available data base like CMIE, Questionnaire to investors (50 Nos. to 100 Nos.) and interaction with investment banking divisions of financial institutions/banks.

Terms of Reference:

1. Recent investment trends in manufacturing sector.
2. Manufacturing sub-sectors where investments have been highly uneven and the relevant factors leading to such trends.
3. Major challenges faced by investors to undertake new projects / expansion projects in the manufacturing sector.
4. Qualitative study on investor's interest in NMIZs.
5. Extent of interest generated by the fiscal measure (Investment Allowance of 15% for investments exceeding Rs. 100 crore in Plant and Machinery) announced in the Union Budget 2013-14.
6. Financing of investments of new projects / expansions in the recent past. The medium term approach of the Banking Sector for financing investments and specific issues, if any.

7. Measures that can reduce the obstacles and the risk perception faced by the investors in the manufacturing sector.

Time limit : The study should be completed within a period of six months.

No. of copies of final report : 50

Technical evaluation criteria: The technical evaluation will be based on the following criteria

	Criteria	Weightage
1.	Qualification and Experience of Project Director / Principal Research worker (only one)	30
2.	Previous Research Works/Studies in the economic policy related area and Government sponsored projects/research work in last five years by the institution	20
3.	Previous Research Works/Studies directly related to Manufacturing sector/sub-sectors in last five years.	10
4.	Team Profile (excluding Project Director)	20
5.	Methodology of the study and work plan	20
	Total	100

The above technical qualification criteria will be used for the shortlisting of EOIs. At the next stage while inviting Request for Proposal (RFP), both technical criteria and financial bid will be given weightages.

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[i] Box II.1 Industrial Slowdown : Causes and Remedies, Economic Review (page 19), Annual Report 2012-13, Reserve Bank of India

[ii] II.1.27 Economic Review (page 21), Annual Report 2012-13, Reserve Bank of India

[iii] CMIE 1.4.2014 release

PLANNING COMMISSION
(INDUSTRY DIVISION)

Access of MSMEs to Institutional Credit- An Assessment

Access to credit has remained a distant dream to MSMEs for long, though this sector has been categorised as priority area. The sector provides huge employment opportunities, contributing substantially in industrial production and national exports. Govt. of India has made several initiatives to bridge the gap between the requirement of MSMEs credit and availability of Institutional credit. However, the matter has remained unresolved as the financial institutions & banks consider it as a high risk area. The matter has been raised in various forums and discussed with the stakeholders to address the issue but it did not yield the results as expected. Prime Ministers' Task Force has made recommendations to extend support to MSMEs to have an easy access to institutional credit. A Sub Committee was also constituted to look into the issue. Several rounds of discussions/meetings were held to resolve the matter. There is no doubt that there is an improvement in this regard however, it is still behind the desired target. As per the information available access to institutional credit shows some improvement in the last couple of years and some public sector banks have made good progress but it needs to upscale the facility.

OUTSTANDING BANK CREDIT TO MICRO AND SMALL ENTERPRISES

(Rs. in Crore)

As on last reporting Friday of March	Public Sector Banks	Private Sector Banks	Foreign Banks	All Scheduled Commercial Banks 1
1	2	3	4	5
2005	67,800	8,592	6,907	83,498
2006	82,434 (21.6)	10,421 (21.3)	8,430 (22.1)	1,01,285 (21.3)
2007	1,02,550 (24.4)	13,136 (26.1)	11,637 (38.0)	1,27,323 (25.7)
2008	1,51,137 (47.4)	46,912 (257.1)	15,489 (33.1)	2,13,538 (67.7)
2009	1,91,408 (26.6)	46,656 (0.0)	18,063 (16.6)	2,56,127 (19.9)
2010	2,78,398 (45.4)	64,534 (38.3)	21,069 (16.6)	3,64,001 (42.1)
2011	3,76,625	87,857	21,461	4,85,943

	(35.3)	(36.1)	(1.9)	(33.5)
2012 (Provisional))	3,95,976 (5.14)	1,05,085 (19.61)	19,839 (-7.56)	5,20,900 (7.19)

Fig. in ( ) indicates YoY growth.

Source: Reserve Bank of India & Annual Report of Ministry of MSME.

2. To achieve the target, Ministry of MSME has implemented two Central Sector Schemes, namely, Credit Guarantee Support Scheme and Performance & Credit Rating Scheme to facilitate MSMEs availing institutional credit. There is also a provision to avail collateral free credit up-to Rs.10lakhs. These initiatives could not make a visible impact due to conservative mindset of the concerned institution. Recently Planning Commission has organized a workshop on this line. Representatives of various stakeholders participated in the workshop and deliberated on this matter. All the concerned stakeholders agreed that there is a need to motivate the entrepreneurs & others to look into this matter seriously and appropriate mechanism should be developed to extend generous support to MSMEs to have easy access to credit. It is expected that there will be a progress and access of MSMEs to institutional credit may get a face lift in the forthcoming years. The details of the schemes are available on ministry's web-site www. msme. gov. in

It is suggested during the workshop to conduct a study how to improve access of MSMEs to institutional credit. Based on this concept it is proposed to conduct a study on this matter linking the impact of the existing schemes in this regard. The terms of reference of the proposal are given as follows:

3. Terms of Reference(ToR)

1. Present status of institutional credit to MSMEs in terms of % of total institutional credit to various sectors.

2. To identify the ~~potential~~ sectors ~~availed institutional credit substantially and the industries segments least access to institutional credit~~. that availed a relatively larger share of credit

3. Impact of Credit Guarantee Support Scheme to avail institutional credit by MSMEs.

4. Impact of Performance & Credit Rating Scheme enabling MSMEs to have access to institutional credit.

5. A few case studies for both the schemes may be included indicating success and failure.

6. Inputs from industries regarding the awareness of the scheme and also expectations of the beneficiaries.

7. Any suggestions to improve the implementation of the schemes to extend benefit.

8. Usefulness of State Financial Corporation to extend support to MSMEs to avail credit. How to improve the establishment facilities?

9. How to establish linkages between the State Financial Corporation and implementing agencies of the Central Sector Schemes to make a tangible impact.

10. Suggestions/recommendations to improve access to credit linking the existing schemes implemented to extend benefit to MSMEs.

4. Technical Proposals :

The technical proposal must elucidate the experience of the firm relevant to the present assignment. It should describe in a precise and concise manner the approach and methodology for the execution of the assignment. The technical proposal must also contain detailed Curriculum Vitae of Experts who will be involved in the conduct of the assignment covering the relevant areas of expertise such as project management, evaluation, impact assessment, data analysis etc.

The above team is to be supported by surveyors for data collection and other port staff as necessary.

The Technical proposal must not have any financial information, whatsoever.

5. Financial Proposal :

The financial proposal should give details about the consultation charges. The consultants must hold their proposals valid for specified duration from the date of submission of the proposal.

6. Evaluation of Proposals :

The evaluation of the proposals will involve a two steps procedure.

The technical bids will be evaluated first on the following criteria:

i) Experience of the firm in conducting Evaluations: 15Marks

ii) Approach and Methodology for the conduct of the assignment: 35 Marks

iii) Experience & Expertise of proposed personnel: 50 Marks

For qualifying, the firm needs to score a minimum of 70 % marks in the technical evaluation. Financial bids of only the technically qualified firms will be opened on a designated date in the presence of bidders. The financial bids of the unqualified bidders will be kept sealed.

7. In the event of a tie in the final combined scores, the consultants having the lower financial quote amongst the two would be given preference and would be called for negotiation.

7. <u>Submission of Proposals</u>:

The Technical and Financial bids should be submitted separately in sealed envelops, should be marked as Technical and price bids respectively with tender enquiry reference, due date & time.

8. <u>Other General Terms & Conditions</u>:

The other general terms and conditions applicable to each assignment under this Scheme will be:

(i) The assignment should be completed within the time stipulated in the agreement. Delay in submission of the report beyond the stipulated time will attract penalty as provided for in the agreement. For factors beyond the control of the institution given the assignment, suitable extension in time may, however, be granted at the request of the institution.

(ii) The Government shall not pay any extra amount for any escalation in the cost of the assignment beyond the time period stipulated in the agreement.

(iii) The total fee for the study as agreed with the organization will include service tax and other tax, if any, and the liability of payment of the tax will be of the Institution conducting the study.

(iv) 10 hard copies of the final report, 15 hard copies of the executive summary and 50 CDs containing the final report shall be submitted before releasing the final installment of payment.

(v) During the currency of the assignment, Government may modify the TOR and other terms and conditions of the assignment, if necessary, in order to strengthen/deepen its scope/coverage. As far as possible, such modifications will not be made more than once during currency of study and with the due concurrence of the institution concerned. In case, there is cost escalation due to substantial and major changes in the Terms of Reference, such cost escalation shall be restricted to a maximum of 25% over and above the original cost subject to the approval of Integrated Finance Wing. The draft/final reports and the contents thereof would be the intellectual property of the Government and would not be published by the institution concerned without prior approval of the Government.

(vi) In case of change of consultant/team leader during the currency of study, the new consultant/team leader may be appointed by the Institution with the prior approval of the Ministry.

(vii) The Consultant will notify the Government of any material change in their status, shareholding or that of any Guarantor of the Consultant, where such change would impact on performance of obligations of the Consultant under the Agreement.

(viii) If the performance of the Institution during the currency of the study is not found to be satisfactory, the agreement can be terminated and the amount already paid to the institution will be recovered.

(ix) The raw data/ processed data/findings should not be disclosed by the Institution to any third party without prior approval of the Government.

PLANNING COMMISSION
(INDUSTRY DIVISION)

IMPACT OF CREDIT LINKED CAPITAL SUBSIDY SCHEME FOR TECHNOLOGY UP-GRADATION ON MSME's COMPETITIVENESS-AN ASSESSMENT.

Technology is the backbone of any manufacturing facility established across the globe. Appropriate Technology ensures quality produce by up-scaling manufacturing facility and improves competitiveness. Technology infusion works as an enabler for any manufacturing unit to remain in supply chain loop to establish network with allied industries. Technology depth, an important aspect has been discussed in detail in 12th plan and in other forums.

Manufacturing activities in India have been initiated in the pre-independence era in the country with the traditional skill & knowledge inherited from fore fathers and with the passage of time, the manufacturing has undergone a seachange to sustain. With the advent of developed/upgraded technology and simultaneously were adopted by the enterprises established in micro and small sector in different phases to improve competitiveness. Today, this sector plays a vital role in manufacturing in terms of employment, contribution in production and national export. It has been emphasized to give special weightage to strengthen the sector as this is the engine of growth.

To encourage the sector for capacity building & competitiveness, Ministry of Micro, Small and Medium Enterprises (MSME) has launched a scheme for technology up-gradation namely 'Credit Linked Capital Subsidy Scheme' (CLCSS) on October, 2000 for a period of five years or till the sanction of capital subsidy reaches Rs.600crore, whichever came earlier, initially provided 12 percent upfront capital subsidy to Micro and Small Enterprises (MSEs) {earlier called Small Scale Industries (SSI)} on the institutional finance availed by them not exceeding Rs.40lakh for induction of well established and improved technology in selected sub-sectors/products approved under the Scheme and the same has been revised during the mid of 10th plan (29.09.2005) enhancing the limit up-to Rs100lakhs with an upscaled subsidy of 15%. It is stated that under the scheme, around 22000units have availed subsidy of Rs.1146crores till 31.03.2014 sine inception. The scheme has covered a wide segment of enterprises manufacturing various items like; Textile & Clothing, Pharmaceuticals, Engineering, Food processing, Plastic and Chemicals etc. As per record a huge amount has been provided as subsidy to a large no. of units and It is reported that the scheme has made a good impact on MSEs, however, there is no independent study report available to understand the progress and impact.

2. Objective of the Scheme:

The Scheme aims at facilitating technology up gradation by providing upfront capital subsidy to SSI units, including tiny, Khadi & Village and Coir industrial units, on institutional finance (credit) availed by them for modernization of their production equipment.

3. Objectives of the present evaluation study (TOR):

i) It is now proposed to evaluate and assess the impact of the Scheme in the overall development of the MSE Sector with particular reference to the improvement in terms of various parameters like, business development, competitiveness, quality improvement, employment generation and capacity building due to adoption of upgraded technology, in measurable terms to the extent possible:

ii) A few case studies should be taken focusing the benefit accrued by the beneficiaries. Similarly a few case studies could be included in case of failure to achieve the desired goals.

iii) The` scheme is mainly formulated for MSE sector, however, it needs to assess whether Medium sector can be included or not and how it will benefit?

iv) It is also important to indicate that at present similar schemes are implemented by Ministry of Food Processing industries and Coir Board under the Administrative control of Ministry of MSME, hence study should reflect whether there is any opportunity to merge all such schemes and implemented by any single ministry.

v) The subsidy is given through banks and it is not clear how it is examined whether technology adopted by the entrepreneur is appropriate or not? Whether concerned institution is competent enough to assess the usefulness of the proposed technology to be adopted under the scheme

vi) Suggestions & Recommendations to improve implementation & monitoring mechanism

vii) Any suggestions to review the provision of subsidy to different sectors like Micro, Small and Medium enterprises.

4. <u>Technical Proposals</u> :

The technical proposal must elucidate the experience of the firm relevant to the present assignment. It should describe in a precise and concise manner the approach and methodology for the execution of the assignment. The technical proposal must also contain detailed Curriculum Vitae of Experts who will be involved in the conduct of the assignment covering the relevant areas of expertise such as project management, evaluation, impact assessment, data analysis etc.

The above team is to be supported by surveyors for data collection and other port staff as necessary.

The Technical proposal must not have any financial information, whatsoever.

5. Financial Proposal :

The financial proposal should give details about the consultation charges. The consultants must hold their proposals valid for specified duration from the date of submission of the proposal.

6. Evaluation of Proposals :

The evaluation of the proposals will involve a two steps procedure.

The technical bids will be evaluated first on the following criteria:

i) Experience of the firm in conducting Evaluations:	15Marks
ii) Approach and Methodology for the conduct of the assignment:	35 Marks
iii) Experience & Expertise of proposed personnel :	50 Marks

For qualifying, the firm needs to score a minimum of 70 % marks in the technical evaluation.

Financial bids of only the technically qualified firms will be opened on a designated date in the presence of bidders. The financial bids of the unqualified bidders will be kept sealed.

7.In the event of a tie in the final combined scores, the consultants having the lower financial quote amongst the two would be given preference and would be called for negotiation.

8. Submission of Proposals:

The Technical and Financial bids should be submitted separately in sealed envelops, should be marked as Technical and price bids respectively with tender enquiry reference, due date & time.

12. **Other General Terms & Conditions:**

The other general terms and conditions applicable to each assignment under this Scheme will be:

(xi) The assignment should be completed within the time stipulated in the agreement. Delay in submission of the report beyond the stipulated time will attract penalty as provided for in the agreement. For factors beyond the control of the institution given the assignment, suitable extension in time may, however, be granted at the request of the institution.

(xii) The Government shall not pay any extra amount for any escalation in the cost of the assignment beyond the time period stipulated in the agreement.

(xiii) The total fee for the study as agreed with the organization will include service tax and other tax, if any, and the liability of payment of the tax will be of the Institution conducting the study.

(xiv) 10 hard copies of the final report, 15 hard copies of the executive summary and 50 CDs containing the final report shall be submitted before releasing the final installment of payment.

(xv) During the currency of the assignment, Government may modify the TOR and other terms and conditions of the assignment, if necessary, in order to strengthen/deepen its scope/coverage. As far as possible, such modifications will not be made more than once during currency of study and with the due concurrence of the institution concerned. In case, there is cost escalation due to substantial and major changes in the Terms of Reference, such cost escalation shall be restricted to a maximum of 25% over and above the original cost subject to the approval of Integrated Finance Wing.

The draft/final reports and the contents thereof would be the intellectual property of the Government and would not be published by the institution concerned without prior approval of the Government.

(xvi) In case of change of consultant/team leader during the currency of study, the new consultant/team leader may be appointed by the Institution with the prior approval of the Ministry.

(xvii) The Consultant will notify the Government of any material change in their status, shareholding or that of any Guarantor of the Consultant, where such change would impact on performance of obligations of the Consultant under the Agreement.

(xviii) If the performance of the Institution during the currency of the study is not found to be satisfactory, the agreement can be terminated and the amount already paid to the institution will be recovered.

(xix) The raw data/ processed data/findings should not be disclosed by the Institution to any third party without prior approval of the Government.

PLANNING COMMISSION
(HRD DIVISION)

Topic: **'Impact of Governance in Higher Education'**

1. **Outline of the Study**

The 12th plan has laid a lot of emphasis on governance in higher education. The structure of the governance system of higher education plays a crucial role in defining the state of higher education in India. It is essential to have a conceptual framework to understand the role of governance in higher education and its growth, the state of governance in Indian institutions and the accompanying drawbacks, and a proposed model of reforms.

2. **Purpose of the Study**

- To understand how to place issues of governance amongst several factors that impact higher education (HE)
- To elaborate its role in defining the level of effectiveness and quality that has come to be associated with the Indian HE system and the role that university as an "organization" plays in building a superior learning ambience.
- To study the three salient relationships in understanding the effectiveness of the governance systems:
    - University & the Government
    - Managing The University as an Organization
    - Relationship of the University and the Society

3. **Scope & Extent of the Study**

The study will outline these relationships, explore strategic/organizational/ operational areas of governance, understand (from a decision making perspective) the constraints that each entity puts on the other thereby affecting their ability to achieve their respective goals, understand the process of decision making in academic institutions including the effectiveness of various layers of governance, explore the tensions and its sources amongst various stakeholders, and evaluate the effectiveness of the governance regime. In navigating through these, the study will try to find how to better governance systems of academic organizations.

4. **Usefulness of the Study**

The study will help policy makers understand the hurdles faced in the universities and how to enable them to improve quality of learning and knowledge generation; will help academic leadership understand the nuances of influencing decisions and how to build consensus in their own organizations; and provide the society a process of re-engaging with the higher education ecosystem. This will, in general, help improve the accountability in our higher educational system and help 'balance of power' between the various authorities.