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Report No: RES21001

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF THE
MADHYA PRADESH HIGHER EDUCATION QUALITY IMPROVEMENT PROJECT

APPROVED ON JUNE 30, 2015

TO
REPUBLIC OF INDIA
NOVEMBER 4, 2015

EDUCATION GLOBAL PRACTICE
SOUTH ASIA REGION

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ABBREVIATIONS AND ACRONYMS

DHE	Department of Higher Education
DLI	Disbursement Linked Indicator
GOMP	Government of Madhya Pradesh
HEI	Higher Education Institution
MPHEQIP	Madhya Pradesh Higher Education Quality Improvement Project
PD	Project Directorate
PDO	Project Development Objective

Regional Vice President:	Annette Dixon
Country Director:	Onno Ruhl
Senior Global Practice Director:	Claudia M. Costin
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INDIA
MADHYA PRADESH HIGHER EDUCATION QUALITY IMPROVEMENT PROJECT
(P150394)

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DATA SHEET*India**MP Higher Education Quality Improvement Project (P150394)**SOUTH ASIA**Education*

Report No: RES21001

Basic Information									
Project ID:	P150394			Lending Instrument:	Investment Project Financing				
Regional Vice President:	Annette Dixon			Original EA Category:	Partial Assessment (B)				
Country Director:	Onno Ruhl			Current EA Category:	Partial Assessment (B)				
Senior Global Practice Director:	Claudia Maria Costin			Original Approval Date:	30-Jun-2015				
Practice Manager/Manager:	Keiko Miwa			Current Closing Date:	31-Aug-2021				
Team Leader(s):	Tobias Linden,Sangeeta Goyal								
Borrower:	Department of Economic Affairs, Ministry of Finance, Government of India								
Responsible Agency:	Department of Higher Education Madhya Pradesh, Madhya Pradesh Higher Education Department								
Restructuring Type									
Form Type:	Full Restructuring Paper			Decision Authority:	Country Director Approval				
Restructuring Level:	Level 2								
Financing (as of 30-Jun-2015)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P150394	IDA-57030	Not Effective	30-Jun-2015			31-Aug-2021	31-Aug-2021		
Disbursements (in Millions)									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P150394	IDA-57030	Not	USD	300.00	300.00	0.00	0.00	300.00	

		Effective						
Policy Waivers								
Does the project depart from the CAS/CPF in content or in other significant respects?						Yes []	No [X]	
Does the project require any policy waiver(s)?						Yes []	No [X]	
A. Summary of Proposed Changes								
<p>Under the level two restructuring of the Madhya Pradesh Higher Education Quality Improvement Project (MPHEQIP), the following changes to Disbursement Linked Indicator (DLI) definition or target are being proposed, which require changes to the Financing Agreement. These changes reflect agreements reached with the Department of Economic Affairs, Government of India and the Government of Madhya Pradesh (GOMP). Detailed changes are described in Annex 1.</p> <ol style="list-style-type: none"> 1. DLI 3(a) Improved institutional performance of selected higher education institutions (HEIs): year 2 target changes. 2. DLI 5(b) Publication of Government HEI annual reports: typo in Year 4 DLI value corrected. 3. DLI 5(c) Strengthening of governance structure of government colleges: typo in year 5 DLI value corrected. <p>In addition, some revisions have been made to the DLI Matrix Verification Protocol (Table A1.4 in the Project Appraisal Document [Report No: PAD1080]) in respect of: DLI 1 Increase in enrolment of full-time first year undergraduate students in degree programs in higher education institutions (HEIs), DLI 2(a) Support to disadvantaged students to complete degree programs at HEIs, DLI 2(b) Increased in Transition Rate of Disadvantaged Students, DLI 2(c) Occupancy of hostels, DLI 3(b) Faculty, DLI 4 Improving employability of higher education students, DLI 5(b) Publication of Government HEI annual reports, and DLI 5(c) Strengthening governance structure in colleges.</p>								
Change in Implementing Agency						Yes []	No [X]	
Change in Project's Development Objectives						Yes []	No [X]	
Change in Results Framework						Yes []	No [X]	
Change in Safeguard Policies Triggered						Yes []	No [X]	
Change of EA category						Yes []	No [X]	
Other Changes to Safeguards						Yes []	No [X]	
Change in Legal Covenants						Yes []	No [X]	
Change in Loan Closing Date(s)						Yes []	No [X]	
Cancellations Proposed						Yes []	No [X]	
Change to Financing Plan						Yes []	No [X]	
Change in Disbursement Arrangements						Yes []	No [X]	

Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [] No [X]
Change to Components and Cost	Yes [] No [X]
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [] No [X]
Other Change(s)	Yes [] No [X]
Appraisal Summary Change in Economic and Financial Analysis	Yes [] No [X]
Appraisal Summary Change in Technical Analysis	Yes [] No [X]
Appraisal Summary Change in Social Analysis	Yes [] No [X]
Appraisal Summary Change in Environmental Analysis	Yes [] No [X]
Appraisal Summary Change in Risk Assessment	Yes [] No [X]

B. Project Status

The Project was approved by the World Bank Board of Executive Directors on June 30, 2015. Following the completion of the restructuring process, the final restated Financing Agreement will be ready for signing.

The Project Directorate, which is the main implementing agency for MPHEQIP, has been in place since October 2014. It is headed by a Project Director, who is the Commissioner of the Department of Higher Education, GOMP, an Additional Project Director, a Deputy Project Director, and currently includes four other dedicated members. With view to project activities, especially those pertaining to the achievement of the DLIs for the first year of the project, a number of tasks have been initiated and/or are nearing completion. These include: (a) updated Financial Management and Procurement Manuals which list the powers to be delegated across the project implementation structure, (b) updated Project Implementation Plan, (c) Terms of Reference for the review of financial assistance schemes for disadvantaged students administered by the DHE (a Year 1 DLI), and (d) the Memorandum of Understanding draft to be signed between the GOMP and higher education institutions that will receive strategic plan grants (a Year 1 DLI). These documents are ready for internal approvals within the GOMP.

Development Objectives/Results

Project Development Objectives

Original PDO

The development objective of the proposed project is to improve student outcomes especially for disadvantaged groups in selected higher education institutions and to increase the effectiveness of the higher education system in Madhya Pradesh.

Change in Project's Development Objectives

Annex 1: Detailed description of proposed changes

Under the level two restructuring of the Madhya Pradesh Higher Education Quality Improvement Project (MPHEQIP), the following changes to Disbursement Linked Indicator (DLI) definition or target are being proposed. These changes reflect alignment of the DLI target with state processes and residual non-substantive inconsistencies in the Financing Agreement. HEIs refer to Higher Education Institutions.

1. DLI 3(a) Improved institutional performance of selected HEIs: change in year 2 target from “mobilization advance release for at least 70% of major civil works contracts for infrastructure at Govt. HEIs in accordance with Project Implementation Plan” to “contract signed for at least 70% civil works contracts for infrastructure at Government HEIs in accordance with Project Implementation Plan”. This change has been proposed to ensure that the target is aligned with the process used by the Government of Madhya Pradesh (GOMP) for awarding infrastructure contracts.
2. DLI 5(b) Publication of Government HEI annual reports: typo corrected in year 4 DLI value to read the same as year 6 DLI value. The DLI value for year 4 now reads as “(i) \$2,000,000 for the first 200 Government HEIs; and (ii) thereafter \$1,000,000 per batch of 100 Government HEIs, up to a maximum of \$3,000,000”.
3. DLI 5(c) Strengthening of governance structure of government colleges: typo corrected in year 5 DLI value. The DLI value for year 5 now reads as “\$6,000,000 for 60% of government colleges; and (ii) thereafter \$1,000,000 per additional 5 percentage points, up to a maximum of \$9,000,000.

In addition, some revisions have been made to the DLI Matrix Verification Protocol (Table A1.4 in the Project Appraisal Document [Report No: PAD1080]) to clarify the Protocol in various places and some illustrative examples are provided. The substantive changes are:

1. DLI 1 Increase in enrolment of full-time first year undergraduate students in degree programs in higher education institutions (HEIs): revision to indicate the share of the increase that needs to be attributed to HEIs receiving a strategic plan grant.
2. DLI 2(a) Support to disadvantaged students to complete degree programs at HEIs: revision to clarify that a student receiving more than one benefit will be counted only once for the purposes of meeting the DLI target.
3. DLI 2(b) Increased in Transition Rate of Disadvantaged Students: revision to indicate that this DLI applies only to HEIs receiving a strategic plan grant.
4. DLI 2(c) Occupancy of hostels: revision to indicate: (i) that only DHE-managed hostels are included; (ii) how to deal with cases of hostels which are filled to over-capacity; and (iii) that new hostels established after March 31st, 2015 are to be included in assessing progress against the DLI targets.
5. DLI 3(b) Faculty: revision to: (i) ensure that faculty is interpreted as full-time teachers who have been hired against sanctioned positions, and that the DLI applies to new positions created in the

course of project implementation; and (ii) clarify that the DLI targets can be met either early or late

6. DLI 4 Improving employability of higher education students: revision to clarify the circumstances in which the DLI targets may be met early.
7. DLI 5(b) Publication of Government HEI annual reports: revision to clarify the circumstances in which the DLI targets may be met early.
8. DLI 5(c) Strengthening governance structure in colleges: revision to clarify the circumstances in which the DLI targets may be met early.

**Annex 2: Revised Disbursement Linked Indicators Matrix
(SCHEDULE 4 of the FINANCING AGREEMENT)**

DISBURSEMENT-LINKED INDICATORS		DISBURSEMENT-LINKED TARGETS					
		TARGETS TO BE ACHIEVED IN FY2015/16 (YEAR 1)	TARGETS TO BE ACHIEVED IN FY2016/17 (YEAR 2)	TARGETS TO BE ACHIEVED IN FY2017/18 (YEAR 3)	TARGETS TO BE ACHIEVED IN FY2018/19 (YEAR 4)	TARGETS TO BE ACHIEVED IN FY2019/20 (YEAR 5)	TARGETS TO BE ACHIEVED IN FY2020/21 (YEAR 6)
1. Increase in enrolment of full-time first year undergraduate students in degree programs in HEIs		None	10,000 students over the baseline	10,000 students over Year 2	10,000 students over Year 3	10,000 students over Year 4	10,000 students over Year 5
<i>DLI Values</i>		None	\$1,500,000 per batch of 2,500 students up to a maximum of \$6,000,000	\$1,500,000 per batch of 2,500 students up to a maximum of \$6,000,000	\$1,500,000 per batch of 2,500 students up to a maximum of \$6,000,000	\$1,500,000 per batch of 2,500 students up to a maximum of \$6,000,000	\$1,500,000 per batch of 2,500 students up to a maximum of \$6,000,000
2. Improving equity in higher education	2(a) Support to disadvantaged students to complete degree programs at HEIs	Consultancy contract signed for a review of the existing DHE scheme for the provision of financial support to students to assist with the costs of attending HEIs	3,000 Financial Support Benefits granted to disadvantaged students over the baseline in accordance with the revised DHE scheme	3,000 Financial Support Benefits granted to disadvantaged students over Year 2 in accordance with the revised DHE scheme	None	None	None
<i>DLI Values</i>		\$4,000,000	(i) \$4,000,000 for the first 2,000 Financial Support Benefits; and (ii) thereafter \$1,000,000 per batch of 500 Financial Support Benefits, up to a maximum of	(i) \$4,000,000 for the first 2,000 Financial Support Benefits; and (ii) thereafter \$1,000,000 per batch of 500 Financial Support Benefits, up to maximum of	None	None	None

DISBURSEMENT-LINKED INDICATORS		DISBURSEMENT-LINKED TARGETS					
		TARGETS TO BE ACHIEVED IN FY2015/16 (YEAR 1)	TARGETS TO BE ACHIEVED IN FY2016/17 (YEAR 2)	TARGETS TO BE ACHIEVED IN FY2017/18 (YEAR 3)	TARGETS TO BE ACHIEVED IN FY2018/19 (YEAR 4)	TARGETS TO BE ACHIEVED IN FY2019/20 (YEAR 5)	TARGETS TO BE ACHIEVED IN FY2020/21 (YEAR 6)
			\$6,000,000	\$6,000,000			
	2(b) Increase in Transition Rate of disadvantaged students	None	None	Increase of 3 percentage points over baseline	Increase of 3 percentage points over Year 3	Increase of 3 percentage points over Year 4	Increase of 3 percentage points over Year 5
<i>DLI Values</i>		None	None	(i) \$6,000,000 for an increase of 2 percentage points; and (ii) thereafter \$1,000,000 per increase of 0.5 percentage points, up to a maximum of \$8,000,000	(i) \$6,000,000 for an increase of 2 percentage points; and (ii) thereafter \$1,000,000 per increase of 0.5 percentage points, up to a maximum of \$8,000,000	(i) \$6,000,000 for an increase of 2 percentage points; and (ii) thereafter \$1,000,000 per increase of 0.5 percentage points, up to a maximum of \$8,000,000	(i) \$6,000,000 for an increase of 2 percentage points; and (ii) thereafter \$1,000,000 per increase of 0.5 percentage points, up to a maximum of \$8,000,000
	2(c) Occupancy of Hostels	None	None	None	At least 20% of student residents of Hostels at Government HEIs are Scheduled Tribe, and at least 15% of student residents of Hostels at Government HEIs are Scheduled Caste	Occupancy Rate is 75% on average across all new female-only Hostels at Government HEIs opened since baseline established	None
<i>DLI Values</i>		None	None	None	\$9,000,000	\$3,000,000	None
3. Excellence and quality assurance	3(a) Improved institutional performance	(i) 150 Memoranda of Understanding signed with	Contract signed for at least 70% of major civil works contracts	Funds only provided to HEIs for Strategic Plan Grants if the	Completion certificate received from third party	Funds only provided to HEIs for Strategic Plan Grants if the	None

DISBURSEMENT-LINKED INDICATORS		DISBURSEMENT-LINKED TARGETS					
		TARGETS TO BE ACHIEVED IN FY2015/16 (YEAR 1)	TARGETS TO BE ACHIEVED IN FY2016/17 (YEAR 2)	TARGETS TO BE ACHIEVED IN FY2017/18 (YEAR 3)	TARGETS TO BE ACHIEVED IN FY2018/19 (YEAR 4)	TARGETS TO BE ACHIEVED IN FY2019/20 (YEAR 5)	TARGETS TO BE ACHIEVED IN FY2020/21 (YEAR 6)
	of selected HEIs	Government HEIs for Strategic Plan Grants (ii) Approval received from DHE and the Association of final design and specifications for major civil works for new infrastructure at Government HEIs in accordance with Project Implementation Plan	for infrastructure at Government HEIs in accordance with Project Implementation Plan	HEIs have received satisfactory performance assessments in accordance with Project Implementation Plan	quality assurance engineer for at least 70% of major civil works contracts for infrastructure at Government HEIs in accordance with Project Implementation Plan	HEIs have received satisfactory performance assessments in accordance with Project Implementation Plan	
<i>DLI Values</i>		For (i): (1) \$20,000,000 for 100 signed Memoranda of Understanding; and (2) thereafter \$2,000,000 per batch of 10 signed Memoranda of Understanding, up to a maximum of \$30,000,000 For (ii): \$3,000,000	\$3,000,000	\$14,000,000	\$14,000,000	\$14,000,000	None
	3(b) Faculty		Faculty In-Position Rate in Government	Faculty In-Position	None	None	None

DISBURSEMENT-LINKED INDICATORS		DISBURSEMENT-LINKED TARGETS					
		TARGETS TO BE ACHIEVED IN FY2015/16 (YEAR 1)	TARGETS TO BE ACHIEVED IN FY2016/17 (YEAR 2)	TARGETS TO BE ACHIEVED IN FY2017/18 (YEAR 3)	TARGETS TO BE ACHIEVED IN FY2018/19 (YEAR 4)	TARGETS TO BE ACHIEVED IN FY2019/20 (YEAR 5)	TARGETS TO BE ACHIEVED IN FY2020/21 (YEAR 6)
			HEIs is on average greater than 75%	Rate in Government HEIs is on average greater than 85%			
<i>DLI Values</i>			\$15,000,000	\$15,000,000	None	None	None
	3(c) NAAC accreditation	None	At least 40 Government HEIs send a letter of intent and a self-study report to UGC/NAAC for NAAC accreditation, of which at least 30 are First Cycle Applications	None	At least an additional 80 Government HEIs over Year 2 send a letter of intent and a self-study report to UGC/NAAC for NAAC accreditation, of which at least 70 are First Cycle Applications	None	None
<i>DLI Values</i>		None	\$13,000,000	None	\$13,000,000	None	None
4. Improving employability of higher education students		None	50 HEIs receiving Strategic Plan Grants record Tracking Information for at least 70% of graduating undergraduate and post-graduate students for at least 6 months following the date of completion of their course of study	None	An additional 80 HEIs over Year 2 receiving Strategic Plan Grants record Tracking Information for at least 70% of undergraduate and post-graduate graduating students for at least 6 months following the date of completion of their course of study	None	None
<i>DLI Values</i>		None	(i) \$3,000,000 for the first 30 HEIs; and (ii)	None	(i) \$3,000,000 for 60 additional HEIs; and	None	None

DISBURSEMENT-LINKED INDICATORS		DISBURSEMENT-LINKED TARGETS					
		TARGETS TO BE ACHIEVED IN FY2015/16 (YEAR 1)	TARGETS TO BE ACHIEVED IN FY2016/17 (YEAR 2)	TARGETS TO BE ACHIEVED IN FY2017/18 (YEAR 3)	TARGETS TO BE ACHIEVED IN FY2018/19 (YEAR 4)	TARGETS TO BE ACHIEVED IN FY2019/20 (YEAR 5)	TARGETS TO BE ACHIEVED IN FY2020/21 (YEAR 6)
			thereafter \$1,000,000 per batch of 10 HEIs, up to a maximum of \$5,000,000		(ii) thereafter \$1,000,000 per batch of 10 HEIs, up to a maximum of \$5,000,000		
5. Strengthening sector governance	5(a) Improving sector-wide governance and management	Government Order issued by DHE for the delegation of powers from DHE to principals of Government HEIs	None	None	None	None	None
<i>DLI Values</i>		\$9,000,000	None	None	None	None	None
	5(b) Publication of Government HEI annual reports	None	20 Government HEIs publish an annual report in accordance with DHE guidelines	None	300 Government HEIs publish an annual report in accordance with DHE guidelines	None	300 Government HEIs publish an annual report in accordance with DHE guidelines
<i>DLI Values</i>		None	\$3,000,000	None	(i) \$2,000,000 for the first 200 Government HEIs; and (ii) thereafter \$1,000,000 per batch of 100 Government HEIs, up to a maximum of \$3,000,000	None	(i) \$2,000,000 for the first 200 Government HEIs; and (ii) thereafter \$1,000,000 per batch of 100 Government HEIs, up to a maximum of \$3,000,000
	5(c) Strengthening of governance structure of government colleges	Government Order issued by DHE regarding strengthening the governance structure of	None	Governance structure of 60 government colleges is strengthened in accordance with Government Order	None	Governance structure of 75% of government colleges is strengthened in accordance with Government Order	None

DISBURSEMENT-LINKED INDICATORS	DISBURSEMENT-LINKED TARGETS					
	TARGETS TO BE ACHIEVED IN FY2015/16 (YEAR 1)	TARGETS TO BE ACHIEVED IN FY2016/17 (YEAR 2)	TARGETS TO BE ACHIEVED IN FY2017/18 (YEAR 3)	TARGETS TO BE ACHIEVED IN FY2018/19 (YEAR 4)	TARGETS TO BE ACHIEVED IN FY2019/20 (YEAR 5)	TARGETS TO BE ACHIEVED IN FY2020/21 (YEAR 6)
	government colleges					
<i>DLI Values</i>	\$9,000,000	None	\$9,000,000	None	(i) \$6,000,000 for 60% of government colleges; and (ii) thereafter \$1,000,000 per additional 5 percentage points, up to a maximum of \$9,000,000	None
6. Fiduciary strengthening of Government HEIs	None	None	At least 100 Government HEIs upgrade their financial management system in accordance with guidelines set forth in the Project Implementation Plan	95% of Government HEIs upgrade their financial management system in accordance with guidelines set forth in the Project Implementation Plan	None	None
<i>DLI Values</i>	None	None	\$3,000,000	\$3,000,000	None	None

**Annex 3: Revised Verification Protocols
(Table A1.4 of the Project Appraisal Document)**

Notes:

1. Except where noted in the table below, all DLIs can be met early or carried forward if not met in the targeted year.
2. Where a third party verification is indicated in the table below, this is to be conducted by an independent verification agent contracted by the Project Directorate in accordance with the World Bank’s Consultant Guidelines and carried out in accordance with terms of reference agreed with the Association and included in the Project Implementation Plan.

Disbursement-Linked Indicator	Verification
DLI 1: Increase in enrolment of full-time first year undergraduate students in degree programs in HEIs	<p><i>Definition</i></p> <p>Enrolment is defined as the number of full-time students who have paid their admission fees for joining any registered HEI (government or private) for the first year in a degree program at the UG level by September 1 of the respective academic year. Baseline is the figure for September 2014; Year 2 (FY 2016/17) target is for September 2016; Year 3 (FY2017/18) target is for September 2017, and so on. All reported figures will be rounded down to the nearest 2500.</p> <p>Funding for DLI 1 can be carried forward, meaning if 5,000 additional students are enrolled over the baseline in FY2016/17 (September 2016), then \$3m will be paid. The remaining \$3m and 5,000 students will be carried forward. This means in FY17/18 that \$9m will be available and so up to an additional 15,000 students (i.e., enrolled in September 2017) over the FY16/17 figure can be counted.</p> <p>Share of the Strategic Plan Grant HEIs in the DLI for each year: The Strategic Plan Grant HEIs average rate of utilization of their intake capacity must increase by 3 percentage points each year of the DLI from their respective baselines. The interpretation of the baselines will be as noted in the paragraph above.</p> <p>DLIs may not be met early. This means that, for example, if in FY2016/17 (September 2016) an additional 20,000 over the baseline are enrolled, only \$6m will be disbursed against meeting the FY2016/17 (Year 2) DLI (since once the target of 10,000 is met no further funds are available for that year). Moreover, in FY2017/18, the target remains as 10,000 above the Year 2 achievement (however high that achievement was).</p> <p><i>Source</i></p> <p>Letter from DHE with breakup by HEI of aggregate new enrolment in the first year of UG programs in all HEIs; MPHE admissions portal database.</p>

	<p><i>Rationale</i></p> <p>The enrollment is for all HEIs, i.e., both government and private, since the purpose is for DHE to take a view about the sector as a whole (and reaching its targeted Gross Enrollment Ratio) in which enrollment increases can be planned in government institutions or encouraged in private ones. The sector goals would not be met if enrollment increased in government institutions, but simply by taking students away from private institutions. The DLI targets are calculated such as to enable MP to achieve 24% GER by the end of the project (the GOMP target).</p>
<p>DLI 2: Improving equity in higher education</p> <p>2(a) Support to disadvantaged students to complete degree programs at HEIs</p>	<p><i>Definition:</i> For the purposes of the review (DLI for Year 1), financial support refers to scholarships administered by DHE to students studying in HEIs, those administered by other Departments for HE students, and support provided by colleges and universities from their own funds. Disadvantaged groups include SC, ST, female and physically disabled students, and students whose last place of residence prior to joining the HEI was in a rural area. Review of financial support will be conducted based upon ToRs developed by the PD in consultation with the World Bank as specified in the PIP. Initiation of the review is defined as signing a contract reflecting the above ToRs with a qualified individual/ firm.</p> <p>For the purposes of the DLIs for Years 2 and 3, financial support refers only to such support funded by DHE. Disadvantaged groups include only SC, ST, and female students. Scholarships may include those distributed to students attending both government and private institutions (depending on how the revised rules of the scheme are written). The revised DHE scheme for financial support will be based upon one-time incorporation of financial support review recommendations from the review conducted in Year 1. All financial support is to be awarded as per the revised DHE scheme. Baseline is the figure for 2015/16 as determined by the review.</p> <p>In Years 2 and 3, an individual student may get more than one financial support benefit. For the purposes of these DLIs, a student will be counted once if he/she receives at least one benefit under a revised financial support scheme. All reported figures will be rounded down to the nearest 500.</p> <p>Year 3 target may only be met after Year 2 target has been met, as Year 3 target is additional to Year 2 achievement (however much above 3,000 the actual achievement in Year 2 is). The gap between reporting date for Year 2 and reporting date for Year 3 must be at least 12 months.</p> <p><i>Source:</i> For study initiation, DHE will provide a copy of the signed contract and evaluation committee report as described above.</p>

	<p>On financial support, letter from the DHE providing data on financial support funded by DHE, and disaggregated by disadvantaged group. Third party verification required.</p> <p><i>Rationale</i></p> <p>Financial support is an important tool for increasing enrollment and progression of disadvantaged groups in higher education. To date, no review has been done of the impact of the schemes funded by DHE. In order to determine the effectiveness of the DHE schemes, and how they might be revised, it is important to understand the totality of support that disadvantaged students get from all government sources (that is, including support provided by other Departments). Only in this way can the unmet needs of students be determined, which provides the rationale for the DHE support; and only then can any necessary revisions of the DHE schemes be undertaken. However, only DHE schemes are in the purview of the DHE and so only financial support under these schemes is considered for achievement of the DLIs in Years 2 and 3. The distribution of scholarships is monitored (in Years 2 and 3) to ensure they are distributed according to the revised scheme (and only in that way).</p>
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<p>2(b) Increase in Transition Rate of disadvantaged students</p>	<p><i>Definition:</i> Transition rate from first to second year is defined as: Percentage of students assigned an enrolment number in the first year in the previous academic year who pass all first year exams, at the first attempt (i.e., without Allowed To Keep Term), in the previous academic year. Transition rate pertains to a full-time student enrolled in a degree program at the UG level. Each DLI target refers to an increase over the previous year. Disadvantaged groups include SC, ST and female students. Baseline is examinations taken at the end of 14/15 academic year. Year 3 (FY17/18) target will be for examinations at end of 16/17 academic year; and similarly for targets for Years 4, 5 and 6. All reported figures will be rounded down to the nearest 0.5 percentage points.</p> <p>Targets cannot be met early or late.</p> <p>This DLI target relates to students enrolled in Government HEIs that receive support through Strategic Plan grants. Baseline data for grant receiving HEIs will be established using the data provided by the HEIs during the Plan preparation process. In case, there are some HEIs for whom baselines cannot be established, these will be assigned the lowest transition data (from the information made available by all the HEIs going through the Plan preparation process) as their baselines.</p> <p><i>Source:</i> On transition rates, DHE letter showing transition rate from first to second year, broken down by institution and student characteristics (female, ST, SC), specifying ATKT; scholarships portal; annual report of all HEIs. Third party verification required.</p> <p><i>Rationale</i></p> <p>Students drop out most often at the end of the first year; or they transition to the second year but carry the extra burden of having to pass examinations which they failed in the first year, but this makes their chances of being successful in the second year lower. The transition rate therefore is defined in such a way that it encourages institutions to focus on helping all students pass their first year examinations at the first attempt (i.e., it excludes those students who continue onto the second year but with some Allowed To Keep Term courses).</p>
<p>2 (c) Occupancy of Hostels</p>	<p><i>Definition:</i> Occupancy rate refers to the percentage of existing, approved capacity that is utilized by a student enrolled full-time to reside, as at 1 September of the relevant year. The student should be enrolled in a full-time program in a recognized Government HEI at the UG or PG level. For 2018/19 (Year 4), occupancy to be measured as at September 2018; similarly for 2019/20 (Year 5). All hostels that were open at the start of the academic year in question are to be counted. For female-only hostels, baseline is as of March 31, 2015.</p>

For both Year 4 and Year 5, only those DHE-managed hostels situated on the campus of a Government HEI are to be considered.

For Year 4, where a hostel is filled to overcapacity, the number of ST and SC students will be taken as proportionate to the prescribed capacity. For example, consider the case where a hostel has a capacity of 100 students, but 125 students reside, of whom 10 are ST and 40 are SC. In this case, 8 ST students ($10 \times 100 / 120$) and 32 SC students ($40 \times 100 / 120$) will be considered and the total number of students will be taken as 100, when calculating the state-wide figures. Where a hostel is not filled to capacity, all the students will be considered. For example, if a hostel has a capacity of 100 but only 70 reside, of which 10 are ST and 40 SC students, then 10 ST students and 40 SC students will be considered, while the total number of students will be taken as 70 (since the DLI only considers those students who actually are in residence).

For Year 5, only those female students up to the prescribed maximum for the hostel will be included in the number of residing students.

The relevant percentages (20% for ST, 15% for SC and 75% for females, as the case may be) are to be taken at the state level, i.e., by aggregating the capacity in all hostels and aggregating the number of students residing as on 1st September 2018 (for Year 4 target; 1st September 2019 for Year 5 target). All reported figures should be rounded down to the nearest percentage point. For Year 4, all hostels at Government HEIs are to be included, whether they are new hostels established under the project, new hostels established from sources other than the project since the project started, or hostels which existed prior to the start of the project. The percentages for both ST and SC must be met separately.

For Year 5, only new hostels built since 31st March 2015 are to be considered, but any new hostel, whether established from project funds or from other sources, is to be included. Existing hostels for female students (i.e., those that exist prior 1st April 2015) are not considered since there are so few of them.

Targets cannot be met early or late.

Source: On hostel occupancy rate, DHE to provide list of hostels with their respective occupancy rates. Third party verification required.

Rationale

Hostels are an important tool to encourage disadvantaged students to enter into higher education; and under the project it is planned that a significant

	<p>number will be built. However, hostels are expensive and as such should only be built where they can be effectively utilized, and the Government and the HEIs operate the hostels in such a way that they are attractive to disadvantaged students. Hence, occupancy rates need to be closely monitored, and student demand needs to be identified clearly ahead of determining where new hostels will be built.</p> <p>Each individual hostel will not be required to meet the DLI targets; the target is measured at the state level. However, the DHE will need to monitor all hostels to ensure that for the state overall the targets are met; and the DHE will therefore need to work with individual colleges to improve their occupancy rate as necessary to achieve the state-wide targets. This is also why the target is set for Years 4 and 5, so that there is an opportunity for DHE and institutions to take the necessary action; monitoring of these indicators is expected in every year in the project as part of regular project monitoring.</p>
<p>DLI 3: Excellence and quality assurance</p> <p>3(a) Improved institutional performance in selected HEIs</p>	<p><i>Definition:</i> <i>For Year 1 target (part (i)):</i> Grant-supported HEIs are those provided Strategic Plan Grants under Component 1. MoUs should include the signature of the head of the HEI’s governing body (where a governing body exists) and the Principal of the respective HEI. Figures will be rounded down to the nearest 10 institutions.</p> <p><i>For Years 3 and 5 targets:</i> Once the institutes are selected, the indicators to monitor satisfactory performance will be determined jointly between DHE, the Association and selected HEIs. All HEIs will be expected to meet a core set of indicators which will be incorporated in the PIP. Additional HEI-specific indicators will be set out in the MOUs of the respective HEIs. The PIP will also define what a satisfactory rating entails. Performance assessment will be undertaken by DHE as per a pre-determined protocol defined in the PIP. Disbursement will be based upon satisfactory application of the protocol. As an example, if 80 percent of institutions have a performance assessment as per protocol with only 5 found satisfactory, and DHE releases funds only to these 5 HEIs, the DLI will be achieved for that year and DHE will be eligible to receive the entire DLI value allocated for that year (and not just proportionate amount of money for the 5 HEIs that were found to have satisfactory performance). On the other hand, if only 5 institutions are found to have satisfactory assessment, and the DHE releases funds to 10 institutions, then the target will not have been met, even if all 5 institutions with satisfactory assessments are given money; nor will the target be deemed to have been met if funds are released to only 4 out of the 5 institutions with satisfactory performance. Target for FY 17/18 (Year 3) will relate to the releases made during FYs 15/16 (if any) and 16/17. Target for FY19/20 (Year 5) will relate to releases made during FYs 17/18 and 18/19</p>

(if any).

For Year 1 target (part (ii)): For civil works designs and specifications, these will be subject to approval of the Association with respect to environment and social issues, including compliance with the EMF and SMF. These are designs and specifications for new buildings as agreed with the Association (academic buildings for colleges without buildings and student hostels). The DHE will have to provide evidence that they have submitted the designs to any agency (such as the Public Works Department (PWD) or an HEI) which will be contracting for the civil works.

For Years 2 and 4 targets: Civil works will include all civil works above the value threshold/limit set out in the PIP (so this will include some minor civil works such as renovations and upgrading). The DHE and the HEIs will prepare procurement plans, which will include a list of all the civil works (new buildings and minor civil works) contracts.

Targets for Years 3 and 5 cannot be met early or late (though DHE will release funds in line with the PIP protocol every year).

Source: For Years 1, 3 and 5: Letter from DHE with signed MoU copies; letter from DHE with progress report for each institution against the performance indicators as defined in the PIP and MOUs. Third party verification required.

For Years 1, 2 and 4: Third party agency report based on sample of colleges. Third party verification required.

Rationale

The Strategic Plan process, and the way funding flows to HEIs as they implement their Strategic Plans, is a systemic reform of the HE system in MP. The Strategic Plans are expected to be used by DHE and the HEIs for other purposes, outside of the MPHEQIP, such as planning for investment under the Government of India RUSA Programme and using State resources. Similarly, linking funding to the performance of institutions is a key accountability measure and a way to provide stronger incentives for institutions to improve; and this mechanism can be used for other resources that the DHE provides to HEIs (outside of the MPHEQIP). Similarly, effective contract management of civil works makes a significant difference to the speed and quality with which civil works are completed.

It is therefore important to get these various mechanisms working well, and the DLIs focus on these systemic processes. And so it is essential that

	<p>DHE invests effort into agreeing MOUs with transparent and clear targets (Year 1 DLI) for each colleges and only gives money to those HEIs which have performed satisfactorily (Years 3 and 5 DLIs). If institutions which do not perform satisfactorily are given funds, then this undermines the whole process.</p>
3(b) Faculty	<p><i>Definition:</i> Faculty in-position rate refers to the percentage of sanctioned positions for full-time faculty (i.e., guest faculty do not count in this definition even if they are appointed against sanctioned posts) that are filled and faculty have started work at their respective institution. It pertains to regular staff in government HEIs. ‘Greater than’ means at least 75.1% or 85.1% (as the case may be).</p> <p>These Targets can be met either early or late; DHE can seek disbursement of these funds in whichever year and at whatever point in the year they can provide evidence that the target has been met. If DHE appoints enough regular faculty at one time that the percentage goes directly from the current percentage (around 50%) to more than 85%, then DHE may claim funds from Years 2 and 3 at the same time. The number of sanctioned positions will be the number at point in time of seeking disbursement; so this number might be higher than the number of sanctioned positions when the project started, if the Government sanctions new positions after the start the project (either in existing or in new colleges).</p> <p><i>Source:</i> For faculty in-position rate, letter from DHE listing status of faculty vacancy rates in each HEI; AISHE. Third party verification required.</p> <p><i>Rationale</i></p> <p>Having sufficient regular faculty in position is a key input into better quality higher education. The Government of MP has not filled all the positions it has sanctioned, and it is important that this happens; and that future positions which may be created are also filled. Regular faculty are much more likely to be committed to an institution and its future and can also be expected to take on institutional tasks (such as updating curricula, advising students, etc.); hence this indicator does not consider guest faculty. Faculty also need to be actually working in their institutions; it is not enough that they have been assigned to an institution.</p>
3(c) NAAC Accreditation	<p><i>Definition:</i> NAAC Accreditation refers to the UGC-led institution-level accreditation process for HEIs. Letters of intent (LOI) and self-study reports (SSR) are determined as per prevailing UGC/NAAC guidelines. LOIs and SSRs are those which have been sent in the appropriate format since 1st April 2015; and institution must have sent both documents as per the guidelines. LOIs and SSRs may be from institutions which are not</p>

currently accredited or those which are accredited but whose period of validity is coming to an end. Additionally in FY 19 the increment is over FY 17. As per NAAC guidelines, when an institution undergoes the accreditation process for the first time it is referred to as Cycle 1 and the consecutive five year periods as Cycles 2, 3, etc. An institution which has been accredited once, but whose period of accreditation has lapsed is not consider a Cycle 1 institution but Cycle 2 (or 3 as the case may be).

Source

Letter from DHE with a table providing a list of HEIs with their status of NAAC accreditation (LOI/SSR submission/grade) for those used to verify achievement of DLI; NAAC website.

Rationale

NAAC Accreditation is an important indicator of quality. While the final grade is important, the timing of the accreditation process is not in the control of DHE; hence, institutional applications are what the DLI target measures. Institutions which have not applied for accreditation before will need to make considerable efforts to do the process well, and may well have to make changes to their institutions (based on their SSR) before getting accredited. Therefore it is expected that most of the institutions which are able to send their LOI and SSR will be those which are receiving the Strategic Plan grants. However, DHE will also be organizing capacity building activities and information sessions on NAAC accreditation for more government colleges and expects over time that all government colleges will apply. So, if some colleges without a Strategic Plan grant are able to apply successfully, then these can also be counted for the fulfillment of these DLI targets.

<p>DLI 4: Improving employability of higher education students</p>	<p><i>Definition:</i> Tracking of students means to have up to date contact information (mobile phone and/or email address) and status (employment, unemployed, in formal education or training, not in the labor market, other). Tracking for at least six months should be considered from the end of the academic year when the student passed out (graduated). Both UG and PG students should be tracked. Target for FY 16/17 is for those students who graduated at the end of the 15/16 academic year. Target for FY 18/19 is for those students who graduated at the end of the 17/18 academic year. The total number of students who graduated are to be considered, not only those who use the Placement Cell of the respective institution.</p> <p>All reported figures will be rounded down the nearest 10 institutions.</p> <p>Both Year 2 and Year 4 targets can be met early, but Year 4 can only be met after Year 2 target has been met.</p> <p><i>Source:</i> Third party verification required. Verification agency to visit a sample of institutions and use the institutional database to contact those graduates who have been tracked; and to identify number of students who have passed out in the previous year.</p> <p><i>Rationale</i></p> <p>All students who attend university wish to become employed when completing their education, and HEIs make significant efforts to help them do so. However, institutions in MP do not have good information about what happens to students after they have passed out, especially if a student does not use the Placement Cell. But the post-education experience is important for HEIs in reviewing and upgrading their academic programs, and student support and placement services. Keeping track of students is, however, a difficult task. It is important to track students for at least six months after they have graduated, as many students may get a job immediately after graduation, but then leave because of a mismatch of expectations between the employer and the graduate.</p> <p>This DLI focuses only on those HEIs which receive a Strategic Plan grant since institutions will have to make concerted efforts (including investments in equipment and people) to be able to track students effectively.</p>
<p>DLI 5: Strengthening sector governance</p>	<p><i>Definition:</i> Government Order refers to a formal order as communicated via the Gazette of MP. Delegation of powers means that the principal of a government HEI has the power to spend the available budget, without reference to the DHE (subject to activities approved within the annual</p>

<p>5(a) Improving sector-wide governance and management</p>	<p>budget and using the FMP Manuals).</p> <p><i>Source:</i> DHE to send the Association copies of relevant GOs.</p> <p><i>Rationale</i></p> <p>There are significant delays in carrying out activities at government colleges and universities because of the need for approvals from the Government for a large number of activities the institutions which to undertake. This also means that the HEIs are not accountable since they always blame their inability to achieve expected outcomes on delays in the Government. A more effective accountability framework is needed, in which colleges and universities have clear rules and regulations which they must follow (the FMP Manual), but within this framework they have the greater authority to take action.</p> <p>The approved FMP Manual, as placed on the DHE website and circulated to government HEIs, will constitute the relevant Government Order for achievement of this DLI. The FMP Manual will describe the rules and procedures that all government HEIs must follow, regardless of the source of funds for the activities they undertaken. Therefore, the FMP Manual will apply to all government HEIs, whether they are receiving funds under MPHEQIP or not. DHE will organize training as necessary for all government HEIs so that they can understand and follow the requirements of the FMP Manual.</p>
<p>5 (b) Publication of Government HEI annual reports</p>	<p><i>Definition:</i> The annual report format will be developed by the DHE and will include data on a set of prescribed indicators and a timetable for completion. The format will be discussed and finalized by DHE with the Association’s agreement and included in the PIP. Publication of an annual report means placed on the website of the institution.</p> <p>Year 4 target can be met in Year 3 (but no earlier) and Year 6 target can be met in Year 5 (but no earlier). This will ensure that a sustained system of institutional reports is in place.</p> <p><i>Source:</i> DHE to send Association a list of those institutions which have published a report in the required format in the last 12 months.</p> <p><i>Rationale</i></p> <p>Making information about colleges and universities public is an important instrument for improving transparency and accountability for the use of public money. In order for this public information to be used effectively by stakeholders, such as parents, students and employers, it must be comparable across institutions. Annual reports are a widely used way to promote this accountability and information dissemination. Therefore, all</p>

	<p>government HEIs, whether they receiving a Strategic Plan grant or not, will be required to prepare annual reports; and DHE will publish guidelines to this effect. DHE will also organize training as necessary.</p> <p>The task of collecting reliable information in a consistent way across all Government institutions will take some time, since the current capabilities of different institutions vary considerably. The format of the annual report will need to be tested with a smaller number of institutions to begin with. DHE will need to develop a plan of action which requires more and more institutions to prepare annual reports over the lifetime of the project.</p> <p>Though the production of annual reports is only measured twice during the project, it is expected that institutions will publish them each year, following the regulations and guidance established by DHE.</p>
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<p>5 (c) Strengthening governance structure in colleges</p>	<p><i>Definition:</i> The government will issue a Government Order for the strengthening of the governance of government colleges. This Order will include the composition of a body (whether restructuring of existing governance structures or establishment of new structures) with overall responsibility for the strategic direction and accountability of the college. The membership of the body may vary from different categories of colleges, but consists of a group of independent members comprising representatives from different stakeholder groups whose goal is to ensure the HEI meets its objectives of teaching, learning and research. The composition is expected to be such that government nominees will be in the minority, those from the institution about half and independent members the remainder. The independent members are selected by the body; one of whom will be chosen by the members as its Chair. The Government Order will also lay out increased delegation of powers to the colleges, over financial management, administrative and academic issues, with overall responsibility and accountability being vested in the governance body.</p> <p>For Year 1 target, Government Order refers to a formal order as communicated via the Gazette of MP.</p> <p>For Year 5 target, denominator for the calculation is the number of Government HEIs established as of March, 31, 2015.</p> <p>Year 3 target can be met in Year 2 (but no earlier) and Year 5 target can be met in Year 4 (but no earlier). This will ensure that a sustained system of improved governance is in place, including across any newly established institutions.</p> <p><i>Source:</i> PD to send the Association copy of the Government Order. PD to send list of institutions with the strengthened governance structure. HEI websites.</p> <p><i>Rationale</i></p> <p>The best institutions in India and around the world have a governance body made up of various stakeholders, such as from the institution, government and external members. Where this body works effectively, it sets the strategic direction for the institution, provides independent oversight and accountability, and strengthens the internal quality assurance mechanisms. The governance body also take a strategic view of the whole institution but leave day-to-day implementation of activities the institution’s management team. The governance body therefore provides re-assurance to government, which no longer needs to manage the everyday affairs of the institution.</p>
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	<p>The expectation is that all government HEIs, and not just those who receive a Strategic Plan grant under MPHEQIP, can benefit from such an effective and independent governance body, in order to help the HEI improve.</p>
<p>DLI 6: Fiduciary strengthening of Government HEIs</p>	<p><i>Definition:</i> Upgraded FM system means that an HEI has submitted audit reports generated by computerized accounting system and a standard Chart of Accounts as notified by DHE. All sanctioned posts of accountants for Government HEIs filled sanctioned positions with a qualified individual on a full-time basis. Target for Year 4 covers all government HEIs established more than 6 months before the verification date (i.e., before March 31, 2018).</p> <p>Target for Year 4 cannot be met early, though Year 3 target can.</p> <p><i>Source</i> A letter from the PD confirming the number of institutions that have upgraded their financial systems, with an annex listing their names. Third party verification required.</p> <p><i>Rationale</i></p> <p>All government HEIs must follow the same financial management rules, and so this DLI relates to all government HEIs, not just those receiving Strategic Plan grants. In order to effectively implement these rules, the sanctioned positions for accountants must be filled. DHE will also provide funds as necessary to help institutions introduce an appropriate computerized accounting system.</p>