Research Development and Innovation (RDI) Scheme

***Prelims**: Current events of national and international importance*

Why in news?

Recently, the Union Cabinet has approved the Research Development and Innovation (RDI) Scheme.

- **Nodal department** - Department of Science and Technology (DST) under Ministry of Science and Technology.
- **Objectives** – To provide *long-term financing or refinancing* with long tenors at low or nil interest rates to spur private sector investment in RDI.
- To finance transformative projects at higher levels of Technology Readiness Levels (TRL) and to support acquisition of technologies which are critical or of high strategic importance.
- To facilitate setting up of a *Deep-Tech Fund of Funds*.
- To provide growth & risk *capital to sunrise and strategic sectors*.
- **Strategic guidance by** – The Governing Board of Anusandhan National Research Foundation (ANRF).

***Anusandhan National Research Foundation (ANRF),** established in 2023 is an apex body to provide "high-level strategic direction" to scientific research in India. It function under Department of Science and Technology (DST) and is chaired by Prime Minister. It replaced the Science and Engineering Research Board (SERB).*

- **Administration** – The *Executive Council (EC) of ANRF* will approve the Scheme's guidelines, and recommend 2nd level fund managers and scope and type of projects in sunrise sectors.
- An Empowered Group of Secretaries (EGoS) led by the Cabinet Secretary, will be responsible for approving scheme changes, sectors and types of projects as well as second-level fund managers besides reviewing the performance of the Scheme.
- **Financial outlay** - Rs. ***One lakh Crore***.
- **Funding mechanism** – It is done under *2-tier funding mechanism*
- At the first level, a *Special Purpose Fund (SPF)* established within the ANRF, which will act as the custodian of funds.
- From the SPF, funds shall be allocated to a variety of 2nd level fund managers, mainly in the form of long-term concessional loans.
- The funding to R&D projects by the 2nd level fund managers would normally be in the form of long-term loan at low or nil interest rates.
- Financing *in the form of equity* may also be done, especially in case of startups.

Reference

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