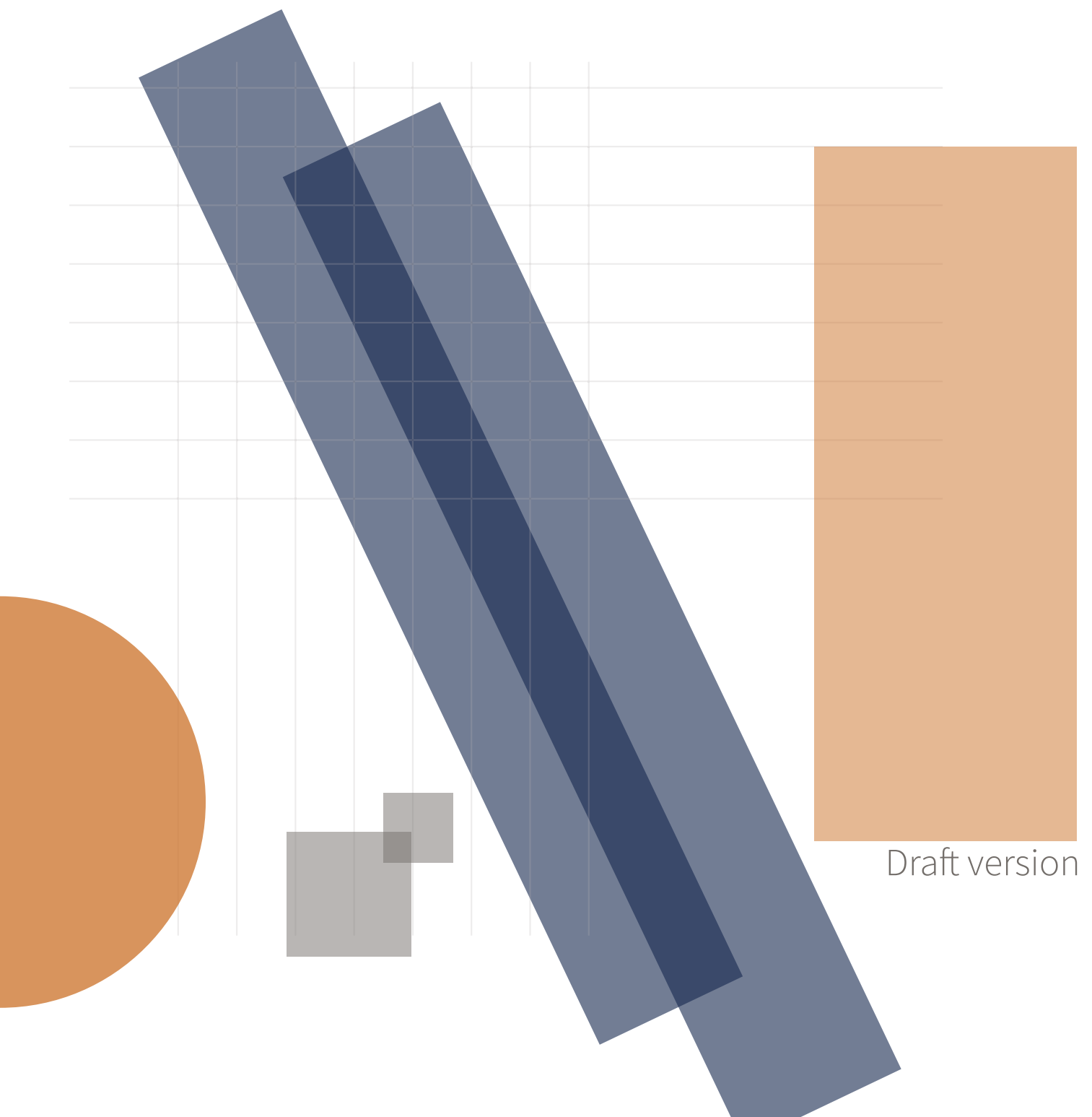


# PRICING OF CBPs ON THE iGOT PLATFORM

Procurement and pricing policy for competency building products (CBPs) on the iGOT-Karmayogi platform





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# EXECUTIVE SUMMARY

The purpose of this paper is to explain how the iGOT-Karmayogi platform adheres to the rules of public procurement and to detail the various pricing strategies available to different categories of providers of competency building products (CBPs) hosted on the platform.

Both procurement and pricing are critical to the effective functioning of the iGOT-Karmayogi platform. Well-designed strategies for both these components will ensure smooth onboarding and consumption of CBPs so that government officials can successfully address their competency gaps and build their capacity to deliver on national development goals.

The first section of this paper is dedicated to procurement of CBPs. This section is summarised as follows:

- a. iGOT-Karmayogi will be the only place where CBPs can be offered to the government. It would therefore operate like the Government e-Marketplace (GeM) and provide a one-stop shop for government officials to obtain the CBPs of their choice to build competencies, while creating a level-playing field for all prospective sellers. This is substantiated using Rules 149 and 192 of the General Financial Rules 2017 along with paragraph 4.17 of the Manual for Procurement of Goods 2017.
- b. The structure of iGOT-Karmayogi has been designed to enable adherence to the conditions laid down under Rule 144 (“Fundamental Principles of Public Buying”) of the General Financial Rules 2017). In addition to this, iGOT-Karmayogi also ensures efficiency in resource allocation by following Rule 174 of the General Financial Rules 2017 which delegates decision making authority to lower functionaries in the government.

The second section of this document is a commentary on the pricing of CBPs on the iGOT-Karmayogi platform. Pricing of a CBP will depend on the nature of its provider. There are a total of 6 categories of CBP providers that have been identified for the purpose of pricing. These are:

- A. Zero priced (free):** These will be onboarded freely onto the platform subject to fulfilment of content quality requirements.
- B. Priced: Government:** This category includes courses by various government training institutions (e.g. CTIs, STIs and ATIs). Since these CBPs are offered by government entities, their cost information will be made freely available and prices will be determined accordingly.
- C. Priced: Non-government (Already procured):** There are several online and offline courses that have been procured by the government to meet past training needs of officials. These courses will be offered at existing prices since a formal procurement process has already been followed.
- D. Priced: Non-government (Top Institutions):** This category includes CBP providers which are:
  1. Universities or institutions that are ranked in the top 100 universities/ institutions as per the Times Higher education (THE) or QS rankings published in that year or
  2. Top 100 courses (subject-wise) in the top 200 universities/ institutions as per THE or QS ranking published in that year or
  3. Institutions that are ranked in the top 20 universities/ institutions in India as per the THE or QS rankings published that year

CBPs which fall into this category will be priced as per the requirement of the university/ institution.

- E. Priced: Non-government:** Others (with an impact score): This category is for courses that do not fall into any of the above four categories. If such a course has been able to obtain an impact score, the same will be used as a proxy for quality assessment as is carried out in a traditional RFP process. Since both the price of the CBP provider and data regarding course quality will be available, an RFP process need not be used to bring the CBP provider onboard. In this case, the CBP provider will be allowed to price his/her course at whatever price he/she wishes to.

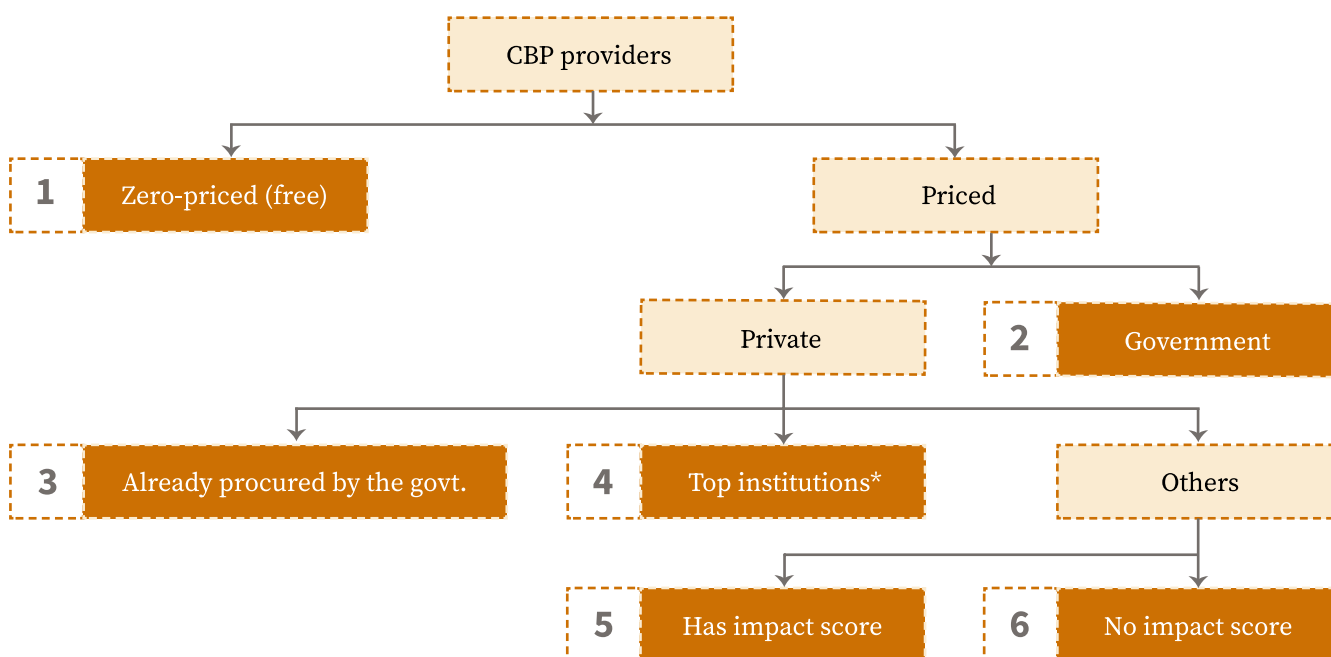
**F. Priced: Non-government:** Others (without an impact score): In case a CBP provider does not fall into any of first four categories and does not have an impact score, he/she has the following two options:

1. Offer their services for free to 100 users and earn an impact score.
2. If unwilling to offer services for free to the first 100 users, and if there exists no CBPs for the competency in question (or those that exist are of poor quality or are too expensive), the CBP may be obtained via the Quality Cost-Based Selection (QCBS) process.

Below is a diagrammatic representation of the six categories. You can also refer to the last page of this paper for more details:

Figure 1

## Types of CBP providers



# INTRODUCTION

The National Programme for Civil Services Capacity Building (NPCSCB), also called Mission Karmayogi, is a transformational programme designed to elevate the capacity of all tiers of government to execute on their mandate. The ‘Integrated Government Online Training’ Platform or iGOT-Karmayogi is a central pillar of the Mission. The platform allows the government to break silos and harness the full potential of government officials for solutioning rather than simply depending on the knowledge and skills of an individual official. It does so by providing resources across six hubs: competency hub, learning hub, discussion hub, network hub, career hub, and events hub. This document will focus primarily on the learning hub.

The **learning hub** will facilitate competency building by making available suitable competency building products (CBPs) on the iGOT-Karmayogi marketplace. CBP providers can make available their offerings to individual officials, their managers and others. CBPs can be either fully digital, face-to-face or use a blended model of delivery. They can be on the iGOT-Karmayogi platform itself, or connected via API integration with another website or platform. They can be courses, workshops, lessons, video tutorials and other forms of learning content to be consumed by learners. Associated with either one or more competency, they will enable an individual to address their competency gaps (calculated by identifying the difference between the competencies an official needs to have for the position she occupies and her existing competency score, identified in the competency hub).

The purpose of this paper is as follows:

1. To outline the various pricing policies available for different kinds of CBP providers
2. To explain why, because of free entry and widespread knowledge that the iGOT-Karmayogi platform is the only place where competency building services can be provided to the government, it would operate much like the Government e-Marketplace (GeM) and provide a one-stop shop solution for government officials to obtain CBPs suited to their needs, and provide a level-playing ground to all prospective sellers
3. To showcase how the proposed structure of the iGOT-Karmayogi platform follows the principles of public procurement as detailed under Rules 144, 149, 174, and 192 of the General Financial Rules 2017, and the associated guidelines in the Manual for Procurement of Goods 2017.

Section 1 outlines the market structure of the iGOT-Karmayogi platform, especially how CBPs would be procured for the platform, and how this fulfils the fundamental principles of procurement, while Section 2 details the proposed pricing policy for CBPs on the iGOT-Karmayogi platform.



# I. PROCUREMENT OF CBPs ON THE iGOT-KARMAYOGI PLATFORM

This section will outline the proposed market structure for the “marketplace of courses” on the iGOT-Karmayogi platform. The section first summarises the fundamental principles of procurement; it then specifies how the iGOT-Karmayogi platform fulfils these principles; this is followed by the conditions for the procurement of CBPs that fulfil the fundamental principles of procurement; and finally, the section ends with a discussion on how funds will be allocated to address competency gaps at the individual level to procure CBPs (as part of the annual capacity building plan).

## 1.1 FUNDAMENTAL PRINCIPLES OF PROCUREMENT

Public procurement is defined by the OECD<sup>1</sup> as the purchase by governments and state-owned enterprises of goods, services and works. As public procurement accounts for a substantial portion of the taxpayers’ money, governments are expected to carry it out efficiently and with high standards of conduct in order to ensure high quality of service delivery and to safeguard public interest.

On the iGOT-Karmayogi platform, a CBP is procured when the end user (i.e. the official) enrolls for the CBP. This is distinct from the onboarding stage, at which CBPs become available on the platform. Therefore, the official who completes the CBP, and not the Competency Owning Department (COD), would be considered the consumer of the CBP.

It is the official who best understands which CBP will work best to close her competency gaps. Given a training budget through her iGOT-Karmayogi wallet, and being held accountable to close the competency gaps identified in her Competency Passbook, the official would be allowed to select the CBP that she finds optimal. This is in line with Rule 174 of the General Financial Rules 2017 (see Box 3), “Efficiency, Economy and Accountability in Public Procurement System”, that allows Ministries, Departments and Organisations (MDOs) to delegate, wherever necessary, appropriate purchasing powers to lower functionaries in the interest of efficiency in decision-making.

A one-stop CBP marketplace, much like the Government e-Marketplace (GeM), would be created for the purchase of CBPs. According to paragraph 4.17.1 of the Manual for Procurement of Goods (2017), an online marketplace (or e-commerce marketplace) is a type of e-commerce site where products or services are offered by a number of sellers and all the buyers can select the products/ services offered by any one of the sellers, based on their own criteria.

Drawing from Rule 149 (Government eMarketplace) of the General Financial Rules (2017) (see Box 2), the iGOT-Karmayogi platform’s learning hub will host an online CBP marketplace for common use goods (i.e., the CBPs). In line with the principles of paragraph 4.17.2 of the Manual for Procurement of Goods 2017, if a CBP is available on the learning hub, MDOs or officials can only purchase the CBPs through the platform. If, for a certain competency, there are no CBPs available in this marketplace, or the available CBPs have low impact scores or are too expensive, then MDOs can procure the required CBPs through the QCBS process (as per Rule 192 of the GFR 2017, see Box 4), after which the procured CBPs will be available for other officials on the platform.

Below we discuss some features of this online CBP marketplace:

- In line with paragraph 4.17.1 of the Manual for Procurement of Goods 2017, CBPs will be offered by a wide variety of sellers, and buyers will be able to select from the products offered based on their needs.
- In line with paragraph 4.17.1 of the Manual for Procurement of Goods 2017, because an online marketplace aggregates products from a wide array of providers, selection will usually be wider, availability will be higher, and prices will be more competitive than in vendor-specific online retail stores.
- In line with paragraph 4.17.2 of the Manual for Procurement of Goods 2017, the procurement process for CBPs in such a marketplace will be end to end, from placement of supply order to payment to provider. This will ensure better transparency and higher efficiency.

<sup>1</sup> <http://www.oecd.org/gov/public-procurement/>.



- In line with paragraph 4.17.3 of the Manual for Procurement of Goods 2017, the registration of CBP providers will be online and automatic, based on PAN, Aadhar authentication etc. CBP providers will offer their products, and officials will be able to view all the CBPs for a particular competency, as well as compare their key attributes like price, impact scores, content quality scores, user ratings and reviews etc. In line with Rule 149(vi) of the General Financial Rules (2017), “new supplier(s) may also be considered for registration at any time, provided they fulfil all the required conditions.”
- In line with paragraph 4.17.4 of the Manual for Procurement of Goods 2017, the user will be able to access the CBPs at the best prices, since the requirements of various officials and MDOs will be aggregated. In other words, instead of different MDOs procuring the same CBP at different times, demand will be aggregated through the iGOT-Karmayogi platform. Since the size of the potential market will now be larger, the government will be able to bargain for a lower price with the CBP providers, as compared to what the CBP providers would have offered to individual MDOs or individual officials.

## 1.2 CONDITIONS FOR PROCUREMENT OF CBPs

To attract premier CBP providers to make their courses available on the learning hub and to retain these providers, there are certain conditions that need to be in place. It so happens that Rule 144 (“Fundamental Principles of Public Buying”) of the General Financial Rules (2017), (see Box 1) instructs procurement authorities to put precisely these conditions in place. Specifically, Rule 144 states that “every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring:

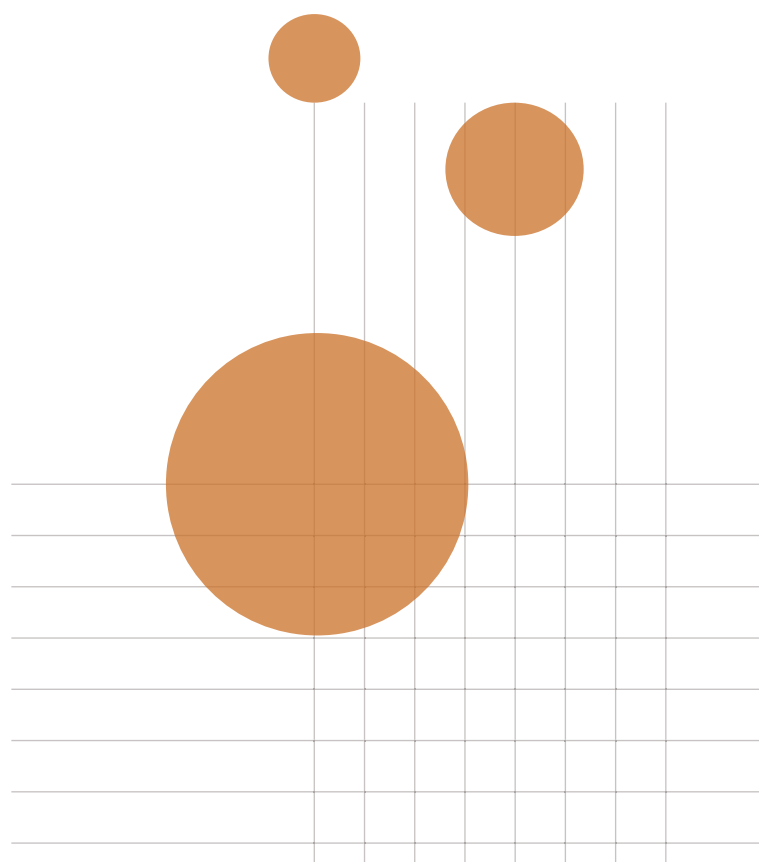
- a. efficiency,
- b. economy,
- c. transparency in matters relating to public procurement and for

- d. fair and equitable treatment of suppliers and
- e. promotion of competition in public procurement”

The following conditions will be created in the CBP marketplace to honour these principles:

- **Transparency about course metrics:** In line with the principles of transparency in Rule 144, CBP providers would receive regular reports with their CBP quality scores, impact scores, and engagement metrics (inter alia, number of officials subscribed, number of officials who saw the course but did not subscribe, average time spent on each page, course completion rates) relative to other CBPs for the same competency.
- **Transparency about competition:** In line with the principles of transparency and promotion of competition in Rule 144, each CBP provider would be able to view other CBPs offering the same competency, along with their prices.
- **Transparency about potential market size:** In line with the principles of transparency, competition, fair and equitable treatment of suppliers in Rule 144, potential CBP providers would be able to view the potential size of the market for different competencies. For example, if JPAL is making a course on impact evaluations, they would be able to view the number of officials on iGOT-Karmayogi who would take a course on “impact evaluation,” either because the competency is required for their role, or because the official desires to upgrade their skills for professional development.
- **Easy entry:** In line with the principle of promotion of competition in public procurement, CBP providers would be able to upload (and update) their course content on the iGOT-Karmayogi platform with minimal effort on their part, and there would be a clear and transparent process for removing courses, to ensure that there is no disruption for officials taking the CBPs.

- **Process for regulating content will be transparent and smooth and CBP providers will be made aware of this:** In line with the principle of transparency and fair and equitable treatment of suppliers, CBPs meeting the requisite content quality will be on boarded onto the platform, and information on the content quality review process would be available to the CBP providers.
- **Payments should be easy and instantaneous,** This is in line with the principle of efficiency, transparency and fair and equitable treatment of suppliers in Rule 144 of GFR 2017. As is the case for the payment procedure in GeM, which is governed by O.M. No. F.26/4/2016-PPD, dated 26 May 2016, issued by the Department of Expenditure, Ministry of Finance, New Delhi, it will be obligatory for buyers to make payments without any delay for purchases made on the CBP marketplace. The iGOT-Karmayogi technical infrastructure would be designed in such a way so as to enable these automatic payments.



<sup>2</sup> Officials are also free to consume CBPs at their own cost to obtain desired competencies. CBT approval is only required when government money is being spent.

## BOX 1

### Rule 144 of General Financial Rules 2017

*Fundamental principles of public buying (for all procurements including procurement of works):* Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:

- i.* The description of the subject matter of procurement to the extent practicable should -
  - a. Be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.
  - b. Not indicate a requirement for a particular trade mark, trade name or brand.
- ii.* The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure.
- iii.* Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist. Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification.
- iv.* Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.
- v.* Offers should be invited following a fair, transparent and reasonable procedure.
- vi.* The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.
- vii.* The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.
- viii.* At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.
- ix.* A complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued.
- x.* All Ministries/Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.

## BOX 2

### Rule 149 of General Financial Rules 2017

**Government e-Market place (GeM):** DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use Goods and Services. DGS&D will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:

- i.** Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.
- ii.** Above Rs.50,000/- and up to Rs.30,00,000/- through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the competent authority.
- iii.** Above Rs.30,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.
- iv.** The invitation for the online e- bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.
- v.** The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.
- vi.** The Ministries/Departments shall work out their procurement requirements of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement/ suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 days of Budget approval.
- vii.** The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price etc.
- viii.** A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

## BOX 3

### Rule 174 of General Financial Rules 2017

#### *Efficiency, Economy and Accountability in Public Procurement System:*

Public procurement procedure should ensure efficiency, economy and accountability in the system. To achieve the same, the following key areas should be addressed:

- i.* To reduce delay, appropriate time frame for each stage of procurement should be prescribed by the Ministry or Department.
- ii.* To minimise the time needed for decision making and placement of contract, every Ministry/Department, with the approval of the competent authority, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries.
- iii.* The Ministries or Departments should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.
- iv.* The Central Purchase Organisation (e.g. DGS&D) should bring into the Rate Contract system more and more common user items which are frequently needed in bulk by various Central Government Departments. The Central Purchase Organisation (e.g. DGS&D) should also ensure that the Rate Contracts remain available without any break.

## BOX 4

### Rule 192 of General Financial Rules 2017

*Quality and Cost Based Selection (QCBS):* QCBS may be used for Procurement of consultancy services, where quality of consultancy is of prime concern.

- i.* In QCBS initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further.
- ii.* After opening and scoring, the Financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weight ages for the score of quality of the technical proposal and the score of financial proposal.
- iii.* The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weight ages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50 etc). The proposal with the highest weighted combined score (quality and cost) shall be selected.
- iv.* The weight age of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

## BOX 5

### Para 4.17 of the Manual for Procurement of Goods 2017

#### 4.17.1

An online marketplace (or e-commerce marketplace) is a type of e-commerce site where product or services are offered by a number of sellers and all the buyers can select the product/ services offered by any one of the seller, based on his own criteria. In an online marketplace, Purchaser's transactions are processed by the marketplace operator and then product/services are delivered and fulfilled directly by the participating retailers. Other capabilities might include auctioning (forward or reverse), catalogues, ordering, posting of requirements by Purchasers, Payment gateways etc. In general, because online marketplaces aggregate products from a wide array of providers, selection is usually wider, availability is higher, and prices are more competitive than in vendor-specific online retail stores.

#### 4.17.2

DGS&D has developed an online Government e-Market Place for common use goods and services. The procurement process on GeM is end to end from placement of supply order to payment to suppliers. This is to ensure better transparency and higher efficiency. All the process will be electronic and online. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM.

#### 4.17.3

Products and services are listed on GeM by various suppliers as on other e-commerce portals: The registration of suppliers on GeM is online and automatic based on PAN, MCA-21, Aadhar authentication etc. The suppliers will offer their products on GeM and the Government buyer will be able to view all the products as well as compare them. Tools of reverse bidding and e-auction are also available which can be utilised for the procurement of bulk quantities.

#### 4.17.4

Demand Aggregation: The best prices to a user can be available if same requirement demands of various organizations are aggregated. This acts as an incentive for the supplier to quote their best price. For the same products, the demand of various Govt. Departments can be clubbed together and reverse auction done on the basis of aggregated demand which will provide the best prices to the Govt. Department.

### 1.3. ALLOCATION OF FUNDS TO ADDRESS COMPETENCY GAPS

In this subsection, we will look at how CBPs are procured on the iGOT-Karmayogi platform. We specifically look at what happens after CBP providers have chosen a particular pricing tier, and priced and uploaded their CBPs on the learning hub. This part of the process will be linked to the annual capacity building plan – a document that every MDO must submit outlining what they will do to build the execution capacity of their MDO as a whole.

Once a CBP provider has chosen a particular pricing tier, their CBP will be offered in the learning hub of the iGOT-Karmayogi platform for officials to consume. As part of the annual capacity building plan, every year the government will provide funding for an official to take a CBP under two particular conditions:

1. To close the intensity of her competency gap for competencies she is required to have for her position; and
2. To obtain desired competencies (i.e. for competencies she is not required to have for her position)<sup>2</sup>.

In charge of the capacity building plan, every MDO will have a capacity building team (CBT). This team will allocate a certain amount of funds to every official out of the training budget (2.5% of the overall salary budget of the MDO, as stipulated in the National Training Policy, 2012) in order for the official to both close the intensity of her competency gap and obtain desired competencies (the former being the priority in terms of budget). Funds will be allocated for each competency (e.g. ₹1,200 allocated for developing the competency 'Empathy' for Official A). The allocation decision is two-fold: the first will be the weighted distribution of the training budget by the system; the second is the actual allocation of the training budget by the CBT.

The weighted allocation that the system will automatically distribute is based on the following information on every official in the MDO:

1. The intensity of the official's competency gap
2. The weight of the competency for the official
3. The criticality of the competency gap  
*(intensity \* weight)*

Based on this information, the system will automatically suggest what the weighted distribution of the budget should be. Using these suggestions, the CBT will make their final budget allocation decisions.

Once officials have been allocated a certain budget on the iGOT-Karmayogi platform, they can use the platform's advanced search features to search for CBPs for the competency where they need to close their competency gap. They can view the list of all available CBPs, along with their pricing information and attributes, for example, impact score, content quality score, user ratings and reviews, whether the course has been produced by a top-100 global institution, whether the course has been produced by a CTI or STI, etc. Let's say they decide to select a CBP on the basis of price and impact score. Then, they can sort the list of available CBPs in ascending order of price and descending order of impact score, and select the CBP that best meets their needs.

If no CBP is available for the competency, or the available CBPs are either low quality (low impact scores) or outside the official's allocated training budget, then the CBT can advise the Competency Owning Department to engage in one-time procurement using QCBS (as per Rule 192 of General Financial Rules 2017).

The risk with the approach outlined above, in which officials are free to make the optimal choice, is that officials may end up selecting CBPs that offer low value for money (expensive CBPs with low impact scores), or engage in unethical practices in collusion with CBP providers.



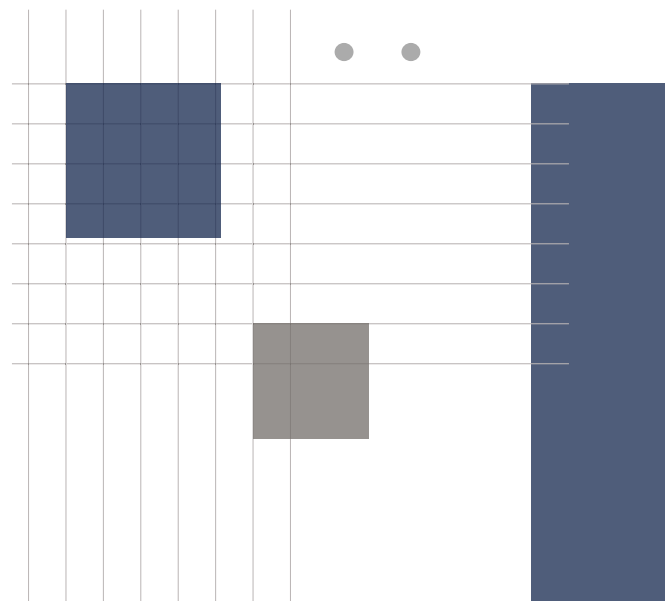
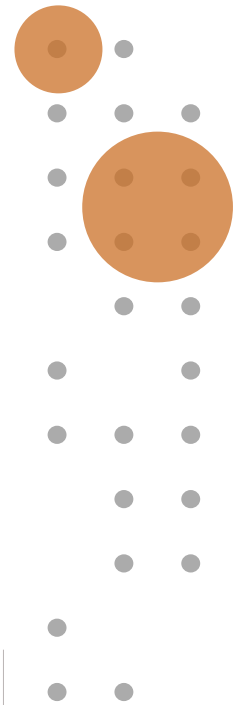
There are two factors that will mitigate the risk of such dishonest practises:

1. Officials will have an incentive to choose a high-quality CBP because this will directly impact their ability to close their competency gap, and may have a bearing on their future promotion/transfer prospects. An official's competency levels will be measured through different assessment tools, including Proctored Independent Authorized Assessments (PIAAs), as well as feedback from colleagues, and this information would be captured in the official's Competency Passbook. Officials will be held accountable to the MDO leadership for closing their competency gaps, and MDO leaders themselves would be held accountable for closing the aggregate competency gaps of the MDO, through monitoring tools such as the PM Dashboard, the Annual State of the Civil Services Report etc. Further, in the future, it is envisioned that officials' competency related information will also impact their promotions or lateral moves.

These mechanisms would deter an official from choosing a CBP that is not ideal from the perspective of building his or her competencies.

2. Given a large enough budget, an official may choose to purchase some low-value CBPs while still closing their competency gaps. However, officials will be allocated a fixed training budget, optimally determined through the MDO's Annual Capacity Building Plan.

Given a fixed training budget optimally designed to close pre-determined competency gaps, and accountability to close those competency gaps, it is expected that the official will be strongly deterred from engaging in any collusion or other dishonest practices.





## II. PRICING OF CBPs ON THE iGOT-KARMAYOGI PLATFORM

This section will outline the proposed pricing policy for competency building products (CBPs) on the iGOT-Karmayogi platform. Specifically, it will examine the various types of CBP providers along with their expected pricing strategies.

iGOT-Karmayogi is expected to host a variety of CBPs from institutions, individuals and non-academic organisations from around the world. The pricing of these CBPs is expected to be highly varied. Given below is a detailed description of various types of CBP providers categorised on the basis of pricing:

**A. Zero priced (free):** There are a number of CBP providers who will offer their products for free on the platform. Examples of such providers are: IGNOU, Harvard, Udemy, Pratham, Khan Academy, some of which offer free courses on other platforms as well.

**Pricing policy:** Since these products are available for free, they can be onboarded immediately onto the platform irrespective of the type of CBP provider, subject to fulfilment of content quality requirements.

**B. Priced:** These providers can be categorised into:

**B.a. Government institutions:** This category includes all central, state and administrative training institutes i.e. CTIs, STIs and ATIs; government universities; and all other MDOs that are not training institutions but which may produce training material for the iGOT-Karmayogi platform. For example, Bihar ICDS may produce a CBP on supplementary nutrition programs and upload it on the iGOT-Karmayogi-Karmayogi platform, so that other states can benefit from it.

**Pricing policy:** Since these CBP providers are government entities, they will share cost information of their CBPs with competency owning departments. This will directly determine the price of their products on the portal.

**B.b. Private providers:** Private providers can be further categorized into:

**B.b.i. Providers already procured by the Government:** There are several online and offline courses that have been procured by the government to meet past training needs of officials. An example of this is MIT's Micromasters course which was procured by DoPT and hosted on iGOT-Karmayogi 1.0.

**Pricing policy:** Courses in this category will be offered at existing prices since a formal procurement process has already been followed.

**B.b.ii. Top 100 globally, top 20 nationally:** This category includes CBP providers which are:

1. Universities or institutions that are ranked in the top 100 universities/ institutions as per the Times Higher education (THE) or QS rankings published in that year or
2. Top 100 courses (subject-wise) in the top 200 universities/ institutions as per THE or QS ranking published in that year.
3. Institutions that are ranked in the top 20 universities/ institutions in India as per the THE or QS rankings published that year.

All courses offered by a university ranked in the top 100 universities either by THE or QS rankings published that year, will be able to price their CBPs without requiring any formal procurement. If a university is not ranked in the top 100 universities, but is ranked in the top 200, and further it is ranked as being in the top 100 universities for a specific subject, then also it will be included in the above category for the subject in which it is ranked in the top 100 globally.

*In addition*, to cover Indian universities, this category also includes institutions that are ranked in the top 20 universities/ institutions in India as per the THE or QS rankings published that year.

The proposed criteria for foreign universities is taken from the eligibility criteria contained in the circular on 'Partial Funding of Foreign Study' under the Scheme of Domestic Funding of Foreign Training (DFFT). The proposed criteria for Indian universities has been taken from the FRAC document (March 2021 version).

**Pricing policy:** CBPs which fall into this category will be priced as per the requirement of the university/ institution.

**B.b.iii. Private providers that don't fall into any of the above categories:** In addition to the above categories which are ready to be onboarded, there are several other institutions, organisations and individuals that will be a part of the iGOT-Karmayogi learning hub. This includes for-profit organisations (such as Udemy, Coursera), non-profit organisations (such as J-PAL and Pratham), and private universities (both international and national) that are not covered under category **B.b.ii.** above. In the absence of an existing pricing strategy for these CBP providers, we propose the following:

A CBP provider in this category must be onboarded without a procurement process if and only if he/she agrees to upload his/her course directly onto the platform, or agrees to provide user data to the iGOT-Karmayogi platform through API integration. The main aim of this is to generate an impact score for the CBPs being offered by said provider. Once an impact score is obtained the same can be used as a proxy for quality assessment as is carried out in a traditional RFP process. Since both the price of the CBP provider and data regarding course quality will be available, an RFP process need not be used to bring the CBP provider onboard. Instead once an impact score is available, the CBP provider should be allowed to offer his/her course at whatever price they wish to.

Two questions arise from this process:

- How will a CBP provider obtain an impact score before being priced?
- How can the platform help CBP providers find the optimum price for their products?

These questions have been answered as follows:

### **How will a CBP provider obtain an impact score?**

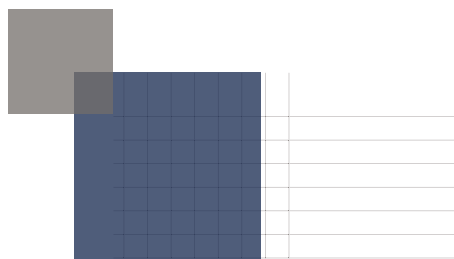
Having an impact score is a prerequisite for being able to price a CBP in this category of providers. All CBP providers will have the opportunity of earning a 'pre-pricing' impact score for their products. For this purpose they will have to host their product for free on the platform for 100 unique users. This will generate an impact score for the CBP in question and can then be used to offer the product at a price on the platform.

In case there are no CBPs for a certain competency on the iGOT-Karmayogi platform, or those that exist are of poor quality (i.e. they have low impact scores), or they are too expensive for most officials, the Competency Owning Department should consider the following steps:

1. More targeted marketing to demonstrate the potential market size to incentivize CBP providers to provide the CBP for free for the first 100 officials
2. Resorting to Quality Cost-Based Selection (QCBS) to obtain the CBPs from the market without the offer of 100 free subscriptions, as per Rule 192 of the General Financial Rules 2017.

### **How can the platform help CBP providers find the optimum price for their products?**

Once an impact score has been obtained, CBP providers will be given access to all relevant market information, such as the price, impact scores, and other metrics for all CBPs for the competency. Using this information, the CBP provider can optimise prices depending on their priorities and constraints.



In the CBP marketplace, the following forces will ensure that the CBPs are priced efficiently, i.e. the price is as low as possible, given the impact score of the CBP:

1. Officials will have the incentive to spend their limited training budget on CBPs that close their competency gaps to the largest extent (i.e. CBPs with the highest impact scores), because they are being held accountable for closing all their competency gaps within the assigned budget.

Thus, given the same price, the official will select the CBP with the highest impact score (because of the accountability mechanisms of the program), and given the same impact score, the official will choose the cheapest CBP, given the tight constraint of the training budget.

2. CBP providers will compete with one another for profits (or, in the case of free content, reach). For a given impact score of CBP, the CBP provider who is able to provide it for the lowest cost will make the highest profit (or reach the largest number of officials), as officials will prefer this CBP.
3. Higher levels of competition among CBP providers for the same competency will exert a downward pressure on the CBP price.

Over time these hypotheses can be tested through analysis of data from the platform. Subsequent versions of the pricing policy for this specific category of CBP providers can accordingly be updated.

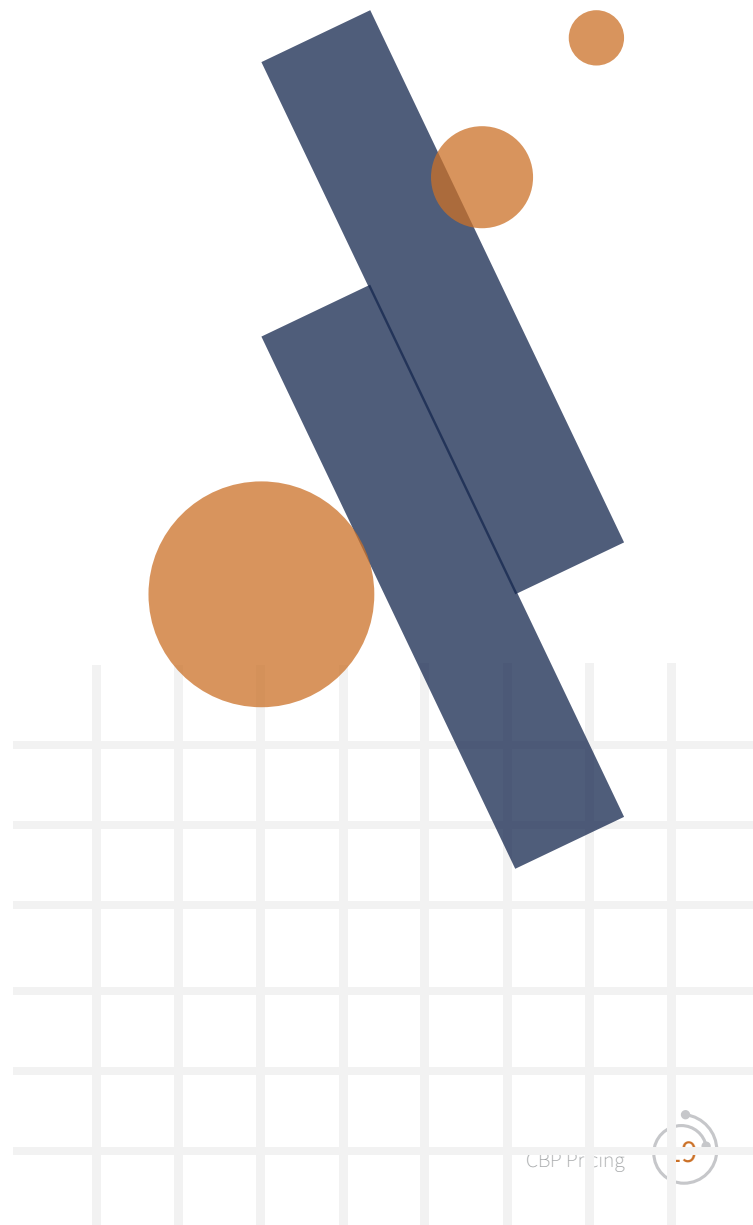
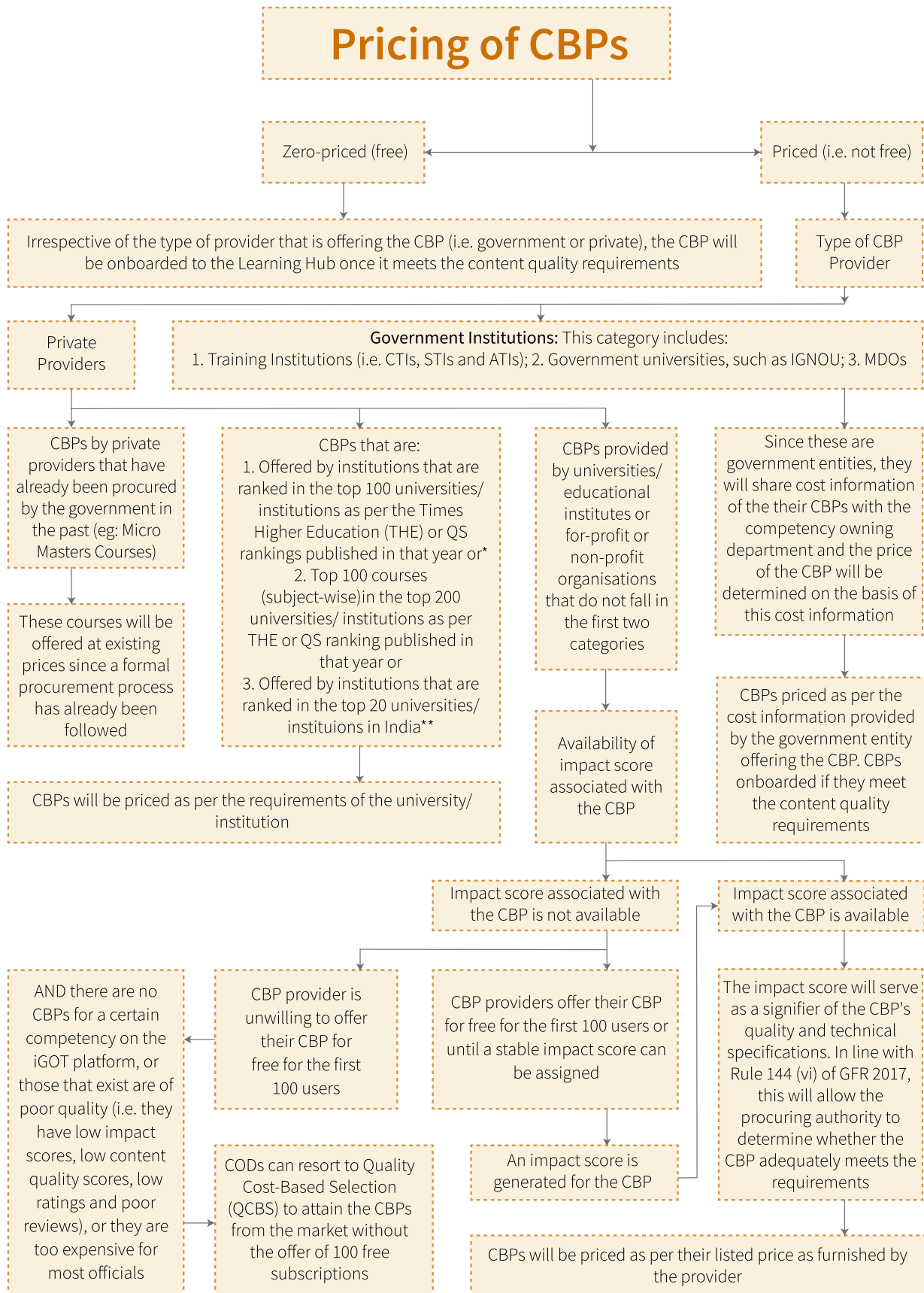
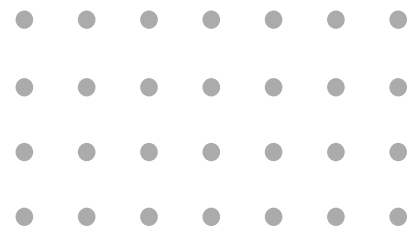


Figure 2



\*As per circular on 'Partial Funding of Foreign Study' under the Scheme of Domestic Funding of Foreign Training (DFFT)

\*\*As per FRAC document (March, 2021)



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