

F. No. 5/1/2021-ISD
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

North Block, New Delhi
Dated 08th November, 2021
09th

Office Memorandum

Record of Discussion of the 37th Meeting of the Empowered Committee to consider granting In-principle approval for VGF support for the proposal of Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in Varanasi, Uttar Pradesh, received from Government of Uttar Pradesh.

The undersigned is directed to forward Record of Discussion of the 37th Meeting of the Empowered Committee to consider granting In-principle approval for VGF support for the proposal of Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in Varanasi, Uttar Pradesh, received from Government of Uttar Pradesh, held on 8th November, 2021, for information and necessary action.

2. This issues with the approval of Secretary, EA.

Encl: As Above



(Arya Balan Kumari)
Deputy Director

To,

1. Finance Secretary & Secretary, D/o Expenditure, North Block, New Delhi
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi
3. Secretary, M/o HUA
4. Secretary, M/o RTH

Copy to:

1. Sr. PPS to Secretary, DEA
2. Sr. PPS to Joint Secretary (ISD), DEA
3. PS to DS, (PIU)

Record of Discussion of the 37th Meeting of the Empowered Committee to consider granting In-principle approval for VGF support for the proposal of Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in Varanasi, Uttar Pradesh, received from Government of Uttar Pradesh.

The 37th Meeting of the Empowered Committee chaired by Secretary, DEA was held on 8th November, 2021 at 7:00 PM for considering in-principle approval for VGF support for the project proposal of Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in Varanasi, Uttar Pradesh, received from Government of Uttar Pradesh. List of attendees is placed at **Annexure – I**.

Particulars	Description
Name of the Project	Varanasi Ropeway Pilot Project
Type of PPP	DBFOT
Location	Uttar Pradesh/Varanasi/Varanasi
Central Ministry / State Government/ Statutory Authority proposing the project as owner of the underlying assets	Varanasi Development Authority, Govt. of Uttar Pradesh
Project Description	3.65 Km of Urban cum Tourism Ropeway 5 Stations (Including a turning station) 10 Seater MGD Technology with 4500 PPHPD capacity
Concession Period	40 Years
Project Construction Timelines	21 Months of Construction Period
Total Project Cost (TPC)	Rs. 410.3 Crore
Viability Gap Funding from Central Government (VGF)	20% of the TPC
Viability Gap Funding from State Government (VGF)	20% of the TPC

1. On behalf of the Chair, JS, ISD welcomed the attendees to the meeting. It was apprised that the agenda for the meeting was considering in-principle approval for VGF for the project proposal of Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in

Signature
9/11/2021

Varanasi, Uttar Pradesh, received from Government of Uttar Pradesh. The Project documents have been duly circulated to all EC Members and their appraisal have been forwarded to Government of Uttar Pradesh for their response. The responses of Government of Uttar Pradesh have also been received.

2. Thereafter, on behalf of Government of Uttar Pradesh, Varanasi Development Authority (VDA) made the presentation. VDA informed that Varanasi City has the distinction of being the religious capital of India. It is one of the Major cities & Fifth most populous city of UP with a population of 11.98 Lakhs (2011 Census) & Area of 260 Sq. Km. In the year 2017, Varanasi had an annual Tourist Population (including both Domestic and International) of approx. 62.8 lakhs. This tourist population is increasing every year resulting into immense load on the transport infrastructure of the city.
3. VDA Informed that considering the tourist importance of the Varanasi city, an Integrated Multi-Model Transport System - CMP – has been conceived for the Varanasi City. This includes an integration of the following modes of transport: -
 - a) Mass Rapid Transit System (MRTS) – Metro – (40.5 Km)
 - Phase 1: (16 Km)
 - Corridor-1: BHU to BHEL – 16 Km
 - Phase 2 &3 (24.5 Km)
 - Corridor-1: Kashi MMH to Sarnath – 7 Km
 - Corridor-2: Kashi MMH to Mughal Sarai- 11 Km
 - Corridor-3: BHU to Ramnagar – 6.5 Km
 - b) Ropeway System (10.5 Km)
 - From Khirkia Ghat to Godowlia
 - c) Water Transport System (8.5 km)
 - 8 Ferry Stations from Samne Ghat to Kirkia Ghat
 - d) Proposed Electric Rickshaw Transit System (10.4 km)
 - Khirkia Ghat - Ramada Plaza/ Cantt. Varanasi – 10 km
 - Godowlia– Dashashwamedh Ghat – 0.4 km
4. VDA informed that the present proposal of Ropeway Project from Varanasi Cantt. Railway Station to Girja Ghar Chauraha with a length of 3.65 kms is a part of the overall Ropeway System envisaged with a route length of 10.5 Km. VDA informed that the total project cost of the current proposed ropeway project would be around INR 410.3 Cr and 40% of the cost to be funded through the VGF with contribution from Centre and State Government. It was also informed that the



State Government of Uttar Pradesh has already given the In Principle Approval for their share of 20% VGF support for the project.

5. VDA also informed that the benefits of the project include: -

- a) Benefit to Local as well as Tourist Population through reduced travel time from Cantt. Railway Station to Dashashwamedh Ghat, Kashi Vishwanath Temple and adjoining areas.
- b) Improved Connectivity between Old Kashi and New Varanasi
- c) Reduction in traffic volume on the roads
- d) Work as a feeder for other modes of transportation system
- e) Enhance visitor experience and appreciation
- f) Provision of an alternate transport system
- g) Contribute in revenue generation
- h) Act as additional attraction to the Holy city
- i) Reduction of pollution levels and improvement in service index

7. VDA also informed that most of the comments of EC members have been agreed to and shall be duly incorporated and the bidding documents will be revised accordingly.

8. The Chair then asked EC Members (DEA, NITI Aayog, MoRTH, MoHUA and Department of Expenditure) to raise any unaddressed substantive comments, if any. DEA, MoHUA, MoRTH, NITI Aayog and DoE while supporting the proposal raised following issues.

- a) NITI Aayog highlighted that in the proposal the increase in the pre-fixed tariff is to be implemented with the approval of Authority. As per the VGF Scheme, however, the fare and any increase thereof need to be pre-specified in the Concession Agreement and implementation of the same should not require any further approval of the Authority.
- b) NITI Aayog also advised that Technical Partner should be on boarded by the (selected) bidder after award of bid and not at the time of submission of the bids itself, as this will be detrimental for the prospective bidders. As such, technical tie-up should not be an evaluation criterion for the bids.
- c) MoRTH informed that all their points/issues which were raised in their appraisal have been duly addressed. MoRTH advised that VDA may, in the Draft Concession Agreement, modify the provisions (including that of



concession period) of NITI Aayog's draft Modal Concession Agreement for Ropeways as per viability.

- d) Department of Expenditure raised the issue of Bid Security being pegged at 1% of the TPC of the project. DoE informed that in order to give clarity to the bidders and in accordance with the best practices, Bid Security should be mentioned in absolute amount in the bid documents.
 - e) DEA suggested that in order to give more clarity to the prospective bidders, the particulars of commercial space available to the concessionaire should be clearly spelt out in the Concession Agreement. It was also suggested that the Fare for the ropeway may be reconsidered in the light of prevailing auto-rickshaw fares so as to ensure steady traffic for the ropeways.
10. VDA submitted the following replies to the above observations: -
- a) The bidding parameter has been revised to grant sought by the bidder in accordance with the VGF Scheme.
 - b) The provision for approval of Authority for fare escalation shall be removed.
 - c) As regards the concession period of 40 years, it has been proposed considering project viability and also stakeholder consultation, hence, this may be retained.
 - d) The Bid Security will be mentioned as an absolute amount in the bid documents.
 - e) Necessary clarity with regard to commercial space available will be incorporated in the Concession Agreement. Further, fare will be reconsidered in the light of the auto rickshaw fare.
 - f) Necessary amendments to the bid documents (including Concession Agreement) will be made to incorporate suggestions of EC.
11. The Chair observed that the technical/financial evaluation criteria as well as initial fare determination and its escalation matrix are best to be decided by the VDA in consultation with the State Government of Uttar Pradesh having regard to ground level realities and market dynamics. However, once decided, such pre-fixed fare and its escalation mechanism should be specified in the Concession Agreement and not to be changed by the Concessionaire and the Project Authority.
12. The Empowered Committee unanimously granted In-Principle Approval for VGF Support of upto 20% of the TPC of the project proposal of Rs. 410.3



Crore for Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in Varanasi, Uttar Pradesh, received from Varanasi Development Authority (VDA), Government of Uttar Pradesh subject to the following observations:

- a) The technical/financial evaluation/selection criteria as well as initial fare determination and its escalation matrix are best to be decided by the VDA in consultation with the State Government having regard to ground level realities and market dynamics.
- b) The pre-fixed fare and its escalation mechanism, once decided, should be specified in the Concession Agreement (as part of bid documents), and not be revised later on by Project Authority or by the Concessionaire.
- c) The concession period to be kept at 40 years considering the project financials and market scenario.
- d) Fare increase shall be as per the escalation matrix as per the terms of the concession agreement and it should not require any further approvals from the Authority.
- e) The Bid Security to be mentioned as an absolute amount in the bid documents.
- f) Necessary clarity with regard to permissible commercial space/ FAR at the proposed stations to be incorporated in the Concession Agreement.
- g) It may be noted that the VGF from the Central Government is capped at 20 per cent (Rs.82.06 Cr) of Total Project Cost of Rs.410.3 Cr and will not increase in case of any further increment in total project cost. All conditions of the VGF Scheme shall be complied with.

The meeting ended with vote of thanks to the Chair.



List of participants of 37th Meeting of the Empowered Committee for considering In Principle Approval of VGF Support to the project proposal of Development of Ropeways Pilot Project on PPP mode between Varanasi Cantt. Railway Station and Girja Ghar Chauraha in Varanasi, Uttar Pradesh, received from Government of Uttar Pradesh.

Department of Economic Affairs, Ministry of Finance

1. Shri Ajay Seth, Secretary, EA - In Chair
 2. Shri Baldeo Purushartha, Joint Secretary (ISD)
 3. Ms. Arya B Kumari, Deputy Director
 4. Dr. Kartik Agrawal, Deputy Director
 5. Shri Saurabh Arora, Consultants
 6. Shri Gaurav Jhumrani, YP, DEA
2. **Department of Expenditure**
1. Sh. Ashu Mathur, Adviser
3. **NITI Aayog**
1. Sh. Partha Sarthi Reddy, Adviser (PPP)
 2. Ms. Nidhi Arora, Legal Specialist
4. **Ministry of Housing and Urban Affairs**
1. Sh. Durga Shankar Mishra, Secretary
 2. Sh. Jaideep, OSD
5. **Ministry of Road Transport and Highways**
1. Shri Mahmood Ahmad, Joint Secretary
6. **Varanasi Development Authority**
1. Shri. Deepak Agrawal, Commissioner
 2. Ms. Isha Duhan, Vice-Chairperson
 3. Shri Manoj Kumar, Town Planner
7. **Government of Uttar Pradesh**
1. Shri Deepak Kumar, Principal Secretary, Housing
 2. Secretary Housing, Government of UP, Lucknow
 3. Shri. ANN Prasad, Chief Executive Director (PD&L)
8. **WAPCOS**
1. Shri Deepak Lakhanpal, Chief (Infrastructure Development), WAPCOS
 2. Shri Prabhakar Sathi, Additional Chief Scientist, Varanasi Ropeways, WAPCOS

