

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2565
(TO BE ANSWERED ON THE 11th December 2019)

FUNDS ALLOCATED TO STATES UNDER RCS

2565. SHRI Y.S. CHOWDARY

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) the details of fund allocated under Regional Connectivity Scheme (RCS) during the last three years, State-wise;
- (b) the details of funds released including the State of Andhra Pradesh under the said scheme during the last three years, State-wise;
- (c) the details of funds spent/un-spent under the above scheme, State-wise; and
- (d) whether Government has achieved the desired objectives of the scheme?

ANSWER

MINISTER OF STATE (IC) IN THE MINISTRY OF CIVIL AVIATION

(Shri Hardeep Singh Puri)

(a) to (d):- Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) on 21-10-2016 to stimulate regional air connectivity and making air travel affordable to the masses. RCS - UDAN is market driven scheme. The interested airlines based on their assessment of demand on particular routes submit their proposals at the time of bidding under RCS - UDAN from time to time. Promoting affordability of regional air connectivity is envisioned under RCS by supporting Selected Airline Operators (SAOs) through concessions by Central Government, State Governments/UTs and airport operators to reduce the cost of airline operations on regional routes and financial support (Viability Gap Funding or VGF) to meet the gap, if any, between the cost of airline operations and expected revenues on such RCS routes. Central Government and State Governments share Viability Gap Funding (VGF) in the ratio of 80:20 whereas for the States in North-Eastern region / Union Territories (UT's) the ratio is 90:10. Thus, VGF is paid to the SAOs as per their bid documents for operation of RCS flights under the scheme. However, as per the provision of the scheme document, Regional Connectivity Fund (RCF) allocation is made in a manner that promotes balanced growth/regional connectivity in different parts of

the country in line with the objective and provision of the National Civil Aviation Policy (NCAP), 2016. Under RCS - UDAN, 688 RCS routes have been awarded by the Implementing Agency. Out of which, 232 RCS routes have been commenced so far. Since the launch of the scheme, more than 31 lakh passengers have flown in RCS-UDAN flights. Total VGF paid for RCS - UDAN flights as on 30.11.2019 is Rs. 512.64 Crore.
