

24– 10 – 2024

News: UDAN

- Recently, the Prime Minister inaugurated three airports under the Regional Connectivity Scheme (RCS-UDAN) in Rewa (Madhya Pradesh), Ambikapur (Chhattisgarh), and Saharanpur (Uttar Pradesh).

UDAN Scheme

- UDAN (Ude Desh ka Aam Naagrik) is a regional airport development and **Regional Connectivity Scheme** (RCS) of Government of India.
- The scheme has been launched with the objective of "**letting the common citizen of the country fly**" aimed at making **air travel affordable and widespread to boost inclusive national economic development, job growth and air transport infrastructure development** of all regions and states of India.
- At the beginning of the scheme, out of total 486 airports, 406 were participating unserved airports, 27 were well served airports out of 97 non-RCS airports and 12 were operational airports out of 18 participating underserved regional operational airports (Nov 2016) with regular fixed-wing scheduled flights.

- UDAN scheme will add to this number by expediting the development and operationalization of India's potential-target of nearly 425 unserved, underserved, and mostly underdeveloped regional airports with regular scheduled flights.
- The scheme has a **provision of Viability Gap Funding (VGF)**.
- Until 2021, **59 new airports have been established** under the UDAN scheme.

Viability Gap Funding (VGF)

- Viability Gap Funding (VGF) means a **grant one-time or deferred financial support, provided to support infrastructure projects that are economically justified but fall short of financial viability.**
- If the sponsoring Ministry/State Government/ statutory entity aim to provide assistance over and above the stipulated amount under VGF, it will be restricted to a further **20% of the total project cost.**
- Support under this scheme is **available only for infrastructure projects where private sector sponsors are selected through a process of open competitive bidding.**