

PM to lay foundation stone of STP to be built at Varanasi under Namami Gange Programme

Prime Minister Shri Narendra Modi will lay the foundation stone of a 50 MLD Sewage Treatment Plant (STP) based on Hybrid Annuity-PPP model in Ramana in Varanasi on September 22, 2017. This is the first time ever that Hybrid Annuity-PPP model is adopted in sewage sector. It is a major step forward in realising the dream of Nirmal Ganga under Namami Gange programme.

The work to construct, operate and maintain the 50 MLD STP in Varanasi has been awarded to a consortium led by Essel Infra Projects Limited at an estimated cost of Rs 153.16 crore.

The Government of India had accorded Cabinet approval to implement the Hybrid Annuity based PPP model with 100% central sector funding. Under this model, the development, operation and maintenance of the STP will be undertaken by a Special Purpose Vehicle (SPV) at the local level. As per this model, 40% of the Capital cost would be paid during construction while the remaining 60% of the cost will be paid over the life of the project as annuities along with operation and maintenance cost (O&M) expenses for the next 15 years.

One of the most important features of this model is that both the Annuity and O&M payments are linked to the performance of the STP. This will ensure continued performance of the assets created due to better accountability, ownership and optimal performance.

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