

Republic of India

FY2024 Ex-Post Evaluation Report of Japanese Grant Aid Project

“The Project for Construction of the International Cooperation and Convention Center in  
Varanasi”

“The Project for Construction of the International Cooperation and Convention Center in  
Varanasi (Phase 2)”

External Evaluator: Yoshihiro Uemura, OPMAC Corporation

## **0. Summary**

The objective of this project was to promote domestic and international human and cultural exchange by constructing an international cooperation and convention center in Varanasi, northern India, thereby contributing to strengthening industrial competitiveness through promotion of the tourism sector. At both the time of planning and the time of the ex-post evaluation, the project was consistent with the development policies of the central and state governments of India and with the country's development needs. Although no specific collaboration or coordination with other JICA projects was identified, it was confirmed that the project was consistent with Japan's ODA policy and with international frameworks. Therefore, its relevance and coherence of the project are high. The project cost was within the plan, although the project period slightly exceeded the plan, therefore, efficiency of the project is high. Regarding effectiveness and impacts, the project exceeded its target for the number of facility visitors (person/year), functioning as a facility that attracts visitors from both within and beyond the region. While the number of international events held did not reach the target, the facility contributed to the promotion of intellectual exchange, human resource development, and civic engagement. Positive impacts were also observed in terms of spillover effects on the regional economy through the promotion of tourism, the revitalization of local industries, the strengthening of international relations, and the deepening of bilateral relations between India and Japan. Although the high usage fees for the facility remain a challenge, the negative impacts on civic activities and cultural promotion have been partially mitigated through revisions to the fee structure and differentiation from other similar facilities in the city. Therefore, effectiveness and impacts of the project are high. With regard to operation and maintenance since project completion, although some minor technical issues have been identified, there is a high prospect of improvement and resolution. Therefore, sustainability of the project effects is high.

In light of the above, this project is evaluated to be highly satisfactory.

## 1. Project Description



Project Location(s) (source: Mapz.com  
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Varanasi International Cooperation and  
Convention Center (Photograph Taken by the  
Evaluator)

### 1.1 Background

Varanasi, one of India's leading cities in terms of religion and culture, is located in Uttar Pradesh State, which has a population of approximately 200 million. As a sacred city of Hinduism, it attracts approximately 7 million visitors annually for pilgrimage and to bathe in the Ganges River. In 2015, the city was recognized as a "City of Music" under UNESCO's Creative Cities Network, and it is also known as a center of culture, education, and industry. However, the city lacked adequate facilities to accommodate tourism, cultural, and industrial events, and its regional resources had not been fully utilized.

The Government of India positioned Varanasi as a domestic hub for international cooperation and exchange, as well as for intellectual and human interaction, with the aim of promoting tourism, fostering economic development, and enhancing quality of life through infrastructure development. In line with this policy, the construction of an international convention center in Varanasi was planned. The project was also identified as a priority initiative under the "Japan-India Vision 2025," reflecting the medium- to long-term partnership and cooperation between the two countries.

Initially, it was planned that the construction of the main building structure, interior facilities, and external works would be implemented through the project as a single package. However, the results of a geotechnical survey revealed unexpected risks of ground subsidence, a high groundwater level, and the need for additional pile foundation works. Consequently, in order to secure the necessary budget, the project was divided into phases: Phase 1 covering the construction of the main building structure, and Phase 2 covering interior facilities and external works.

### 1.2 Project Outline

The objective of this project was to promote domestic and international human and cultural exchange by constructing the Varanasi International Cooperation and Convention Center (hereinafter

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<sup>1</sup> Disclaimer: This map is only for illustrative purposes and does not imply any opinion of JICA on the legal status of any country or territory, the border line of any country or territory or its demarcation, or the geographic names.

referred to as “VICCC<sup>2</sup>”) in Varanasi, northern India, thereby contributing to the strengthening of industrial competitiveness through promotion of the tourism sector.

<Grant Aid Project>

|                                                  |                                                                                                  |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Grant Limit / Actual Grant Amount                | Phase 1: 2,240 million yen / 2,031 million yen<br>Phase 2: 802 million yen / 726 million yen     |
| Exchange of Notes Date<br>/ Grant Agreement Date | Phase 1: September 2017 / September 2017<br>Phase 2: May 2018 / May 2018                         |
| Executing Agency(ies)                            | Ministry of Housing and Urban Affairs<br>(Current operating entity: Varanasi Smart City Limited) |
| Project Completion                               | March 2021                                                                                       |
| Target Area                                      | Varanasi City, Uttar Pradesh State                                                               |
| Main Contractor(s)                               | Fujita Corporation                                                                               |
| Main Consultant(s)                               | Consortium of Oriental Consultants Global Co., Ltd. and Nikken Sekkei Ltd.                       |
| Procurement Agency                               | N.A.                                                                                             |
| Basic Design / Preparatory Survey                | July 2017–July 2018                                                                              |
| Related Projects                                 | N.A.                                                                                             |

## 2. Outline of the Evaluation Study

### 2.1 External Evaluator

Yoshihiro Uemura, OPMAC Corporation

### 2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: October 2024–February 2026

Duration of the Field Study: January 26–February 8, 2025, and May 24–May 30, 2025

#### [Method of the Integrated Evaluation]

Since the project objectives and executing agency were common to both Phase 1 and Phase 2, and the project periods overlapped, this ex-post evaluation was conducted in an integrated manner, assessing the outcomes and impacts as a whole at the time of the ex-post evaluation. With respect to

<sup>2</sup> In India, the facility is commonly referred to as the Rudraksh International Cooperation and Convention Center (RICCC). The name derives from its religious and spiritual significance in Hinduism, and it was officially named “Rudraksh” by Prime Minister Narendra Modi of India at the inauguration ceremony held on July 15 2021.

the project period, Phase 1 covered the construction of the main building structure, while Phase 2 covered interior facilities and external works. Accordingly, the actual project period was defined as the period from the month of the signing of the Grant Agreement (hereinafter referred to as “G/A”) for Phase 1 to the month when the facility was opened for commencement of operation, and this was compared with the plan. Regarding the project cost, the actual figure was calculated as the combined amount of both the expenditure of the Japanese side and the contribution of the Indian side at the time of project completion, and this was compared with the plan.

### 2.3 Constraints During the Evaluation Study

In evaluating the Operation and Effect Indicators of the project, several constraints were identified. First, regarding the method of aggregating the numbers of facility visitors, the private Operation and Maintenance (hereinafter referred to as “O&M”) contractor, Indian Sanitation Wardboy and Horticulture Contractor (hereinafter referred to as “ISWHC”), compiles visitor numbers based on reports submitted by event organizers in the case of events, while the visitor numbers for regular facility use are aggregated at ISWHC’s office. As the aggregation methods are not standardized, there is the possibility of errors or bias in the reported figures. In addition, while visitors to conferences, performances, and exhibition events are included in the number of facility visitors, users of the restaurant and parking facilities within VICCC have not historically been counted in the facility’s visitor statistics and are therefore not reflected in the figures used for this evaluation. Consequently, the number of facility visitors used in this evaluation does not fully capture the overall utilization of VICCC, which should be recognized as a limitation in the assessment of the project.

Furthermore, concerning evaluation of the financial aspect of sustainability, it was initially planned that the facility would be owned by Varanasi Municipal Corporation (hereinafter referred to as “VMC”) and operated by its special-purpose smart city entity after completion. However, due to a change in policy by the Ministry of Housing and Urban Affairs (hereinafter referred to as “MoHUA”) and the Central Public Works Department (hereinafter referred to as “CPWD”) during the project period, the ownership of the facility was transferred to Varanasi Smart City Limited (hereinafter referred to as “VSCL”), and the O&M of the facility has been entrusted to ISWHC, a private contractor. While financial information was obtained from VSCL and ISWHC during this study, neither organization discloses such information to the public, and accordingly, such financial information is not included in this report upon their request.

### 3. Results of the Evaluation (Overall Rating: A<sup>3</sup>)

#### 3.1 Relevance/Coherence (Rating: ③<sup>4</sup>)

##### 3.1.1. Relevance (Rating: ③)

##### 3.1.1.1 Consistency with the Development Plan of India

At the time of project planning, the project was consistent with the tourism promotion initiative “The Heritage Arc,” launched by the State Government of Uttar Pradesh in 2014, as well as with the State Government’s “Tourism Policy 2016,” which emphasized the promotion of MICE tourism<sup>5</sup>. At the national level, the project was positioned as part of “Investment in the Future” under the “Japan-India Vision 2025 Special Strategic and Global Partnership,” agreed upon at the Japan-India Summit Meeting in 2015. In the Joint Statement of the Japan-India Summit in March 2022, the facility constructed in Varanasi was welcomed as a “symbol of Japan-India friendship,” and its role at the bilateral level has been sustained. Furthermore, under the “Tourism Policy 2022–2032” formulated by the State Government of Uttar Pradesh, the MICE industry has been positioned as a growth sector supporting the regional economy, and the framework of policy support has been maintained and expanded through measures such as the strengthening of subsidy schemes for the development of tourism infrastructure, including hotels and convention centers. In addition, in the “National MICE Industry Strategy 2022” of the Ministry of Tourism at the national level, Varanasi was selected as a “Challenger City” with growth potential for MICE, and the need for infrastructure development and policy support was clearly articulated. Although the VMC has no independent tourism policy, it has been working to improve visitor convenience through initiatives such as tourism infrastructure development and transportation improvements in line with the Smart City Mission<sup>6</sup> and the State government’s tourism policies. The construction of VICCC is consistent with the direction of these urban development initiatives.

In light of the above, it is clear that this project was consistent with the tourism and urban development policies of India and the State of Uttar Pradesh both at the time of appraisal and at the time of the ex-post evaluation.

##### 3.1.1.2 Consistency with the Development Needs of India

At the time of project planning, in addition to the religious and historical assets along the Ganges River that symbolize Varanasi, numerous tangible and intangible traditional cultural and artistic resources existed, with cultural events and festivals being frequently organized to showcase and disseminate these resources. However, the city lacked a multipurpose convention facility suitable

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<sup>3</sup> A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory

<sup>4</sup> ④: Very High, ③: High, ②: Moderately Low, ①: Low

<sup>5</sup> This is an acronym formed from the initial letters of “Meeting,” “Incentive Travel,” “Convention/Conference,” and “Exhibition/Event.” It is a collective term for activities that promote the movement and exchange of people for business purposes, typically organized by companies, organizations, or associations.

<sup>6</sup> This refers to a national project supervised by the Ministry of Housing and Urban Affairs, aimed at promoting sustainable urban infrastructure development.

for hosting such events, which hindered opportunities for tourism, cultural, and industrial promotion. Moreover, with the steady increase in the number of domestic and international tourists, the development of tourism infrastructure was regarded as an urgent challenge. This project was therefore designed to address such development needs by constructing a convention center in Varanasi equipped with international-standard facilities, providing a venue for diverse events in tourism, culture, and industry, while supporting the dissemination of regional traditional culture and promoting international exchange.

At the time of the ex-post evaluation, the initial shortage of facilities in the city had been largely resolved with the opening of VICCC. The center has hosted multiple festivals and cultural exchange events involving cultural stakeholders from across India and abroad. In particular, events such as “Kashi Tamil Sangamam<sup>7</sup>,” which connects the cultures of northern and southern India, not only carried symbolic significance but also provided opportunities for local residents to broaden their cultural interactions. On the other hand, large-scale events held at VICCC have been primarily government-led, and opportunities for local residents, traditional performing arts groups, and cultural practitioners to independently utilize the facility have been limited. Concerns were also raised that the high facility usage fees have constrained its function as a venue for grassroots activities by local traditional cultural groups and cultural practitioners. While it is true that other venues and opportunities for local groups do exist in the city, it does not mean that such opportunities are entirely lacking; nevertheless there remains an expectation that VICCC, as a symbolic facility, will further expand opportunities for cultural expression. To strengthen its role in the preservation and development of regional culture, it is necessary to introduce programs which specifically support grassroots cultural activities and the promotion of traditional performing arts through the utilization of VICCC.

In terms of tourism, the number of visitors to Varanasi steadily increased from 2017 to 2019, significantly dropping, however, in 2020 and 2021 due to the COVID-19 pandemic. Since then, the number of visitors has sharply recovered, with domestic tourists reaching approximately six times the 2019 level by 2023, demonstrating Varanasi’s rapid rise in popularity as a domestic travel destination. In response to this growing demand, VICCC has contributed to the city’s cultural and tourism infrastructure by providing a venue for events, thereby fulfilling part of the development needs envisaged at the planning stage.

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<sup>7</sup> An annual exchange event organized by the Government of India and related institutions to strengthen the cultural and academic ties between the state of Tamil Nadu and Varanasi (known in Hindi as Kashi).

Table 1 Trends in the Number of Tourists Visiting Varanasi

(Unit: persons)

| Year | Domestic Tourists | Foreign Tourists | Total       |
|------|-------------------|------------------|-------------|
| 2017 | 17,659,947        | 784,666          | 18,444,613  |
| 2018 | 19,278,506        | 805,472          | 20,083,978  |
| 2019 | 20,052,629        | 708,678          | 20,761,307  |
| 2020 | 8,705,623         | 187,616          | 8,893,239   |
| 2021 | 6,881,192         | 2,892            | 6,884,084   |
| 2022 | 71,612,127        | 89,689           | 71,701,816  |
| 2023 | 129,182,767       | 222,953          | 129,405,720 |
| 2024 | N.A.              | N.A.             | N.A.        |

Source: Prepared by the evaluator based on “Annual Tourist Visit Statistics (2017–2021)” (published in 2022), “District-wise Domestic and Foreign Tourist Arrivals and Rankings, 2022” (published in 2023), and “Monthly Domestic and Foreign Tourist Statistics, 2023” (published in 2024), Uttar Pradesh State Department of Tourism.

In light of the above, it can be seen that this project addressed the development needs identified at the time of planning and had achieved certain results at the time of the ex-post evaluation. However, from the perspective of supporting local cultural activities, further efforts to promote facility utilization and adjustments in management are still required. Taking these aspects into consideration, the project can be evaluated as being broadly consistent with development needs.

### 3.1.1.3 Appropriateness of the Project Plan and Approach

#### 1) Validity of the Change in the Grant Agreement

At the time of planning, it was envisaged that the construction of the main building structure of VICCC, the interior facilities, and the external works would be implemented as a single package. Although the G/A was signed in September 2017, several new factors affecting the design and cost estimation had been identified immediately beforehand, between August and September 2017. As a result, the project was divided into phases, with Phase 1 covering the construction of the main building and Phase 2 covering the interior facilities and external works. Specifically, the geotechnical survey had revealed previously unforeseen risks of ground subsidence, insufficient friction capacity, and a higher-than-expected groundwater level, which required an increased number of piles and additional waterproofing specifications. In addition, the Government of India requested design modifications to reflect the religious and cultural elements of Varanasi, while the introduction of new environmental standards mandated the installation of solar panels. These changes were identified just prior to the G/A signing and required responses that exceeded the assumptions of the original design and cost estimation. Accordingly, the modifications were unavoidable and are assessed to have been based on rational judgment. As a result, the facility incorporated designs that respect regional culture as well as specifications emphasizing sustainability, thereby achieving outcomes consistent with the project objectives in terms of consideration for local society and the environment.

## 2) Validity of the Project Plan

The project was planned with the objective of promoting domestic and international human and cultural exchange and contributing to strengthening industrial competitiveness through the promotion of the tourism sector in Varanasi, northern India, through the construction of an international cooperation and convention center. During the preparatory study, the increasing trend in tourist numbers, the cultural and religious significance of the region, and consistency with the policy of promoting MICE tourism were confirmed, and the project was selected on the premise that the facility would serve as an effective venue for various forms of exchange. Furthermore, as outcomes after implementation, the project had facilitated exchange through international conferences, cultural events, and trade fairs, contributed to the formation of an ecosystem with related industries, and generated spillover effects on the surrounding economy, all of which are assessed to be consistent with the project's original objectives and logic.

## 3) Lessons from Past Similar Projects and Their Application to This Project

Drawing on lessons from past similar projects, the preparatory survey for this project emphasized not only the need to conduct demand analysis to increase the utilization rate of the center, but also the importance of considering specifications that would facilitate facility maintenance and management, as well as the importance of encouraging the executing agency to secure appropriate staffing and budgetary measures for the O&M system.

With regard to demand analysis, the preparatory survey for this project conducted revenue and expenditure simulations based on occupancy rates. In addition, under the project's soft component, technical assistance was provided to enable the executing agency to carry out its own demand analysis and independently develop and implement marketing strategies. However, it was confirmed after project completion that the executing agency had not adequately accumulated, organized, and analyzed event-related data. Nevertheless, VMC, VSCL, and ISWHC have continued to hold meetings to improve the operation of VICCC, and have been working to attract new customer segments and promote facility utilization by hosting a wider variety of events, including not only large-scale international conferences and exhibitions but also community-based cultural events and corporate seminars. Efforts are already underway to review marketing strategies, test new pricing structures, and increase sales staff.

Regarding staffing and budgetary arrangements, the preparatory survey for this project also examined the establishment of an O&M system. In particular, staffing plans were clarified for key positions such as the facility director, operations manager, and asset manager, as well as for role-sharing among relevant organizations. It was also confirmed that the necessary personnel costs and maintenance costs for facility operation would be covered by the CPWD budget, thereby forming a certain consensus that the necessary staffing and budgetary arrangements would be secured. Subsequently, due to a policy change by the Government of India, ownership of VICCC was

transferred not to the special-purpose smart city entity but to VSCL, and O&M services were entrusted to ISWHC, a private contractor. This measure was intended to ensure a more professional utilization and management of VICCC as part of the urban infrastructure, bearing in mind that VSCL had operational experience with other public facilities. At the time of the ex-post evaluation, it was confirmed that the O&M costs of the facility were being covered by ISWHC from the revenue of the facility without dependence on government subsidies, which can be evaluated as evidence that budgetary measures have effectively been secured. As a result, an appropriate maintenance and management system is in place at present.

From the above, it is assessed that the lessons learned from past projects regarding demand analysis and the establishment of an operational system were not only reflected in the preparatory survey and planning stages of this project but also materialized as concrete outcomes during implementation.

### 3.1.2 Coherence (Rating: ③)

#### 3.1.2.1 Consistency with Japan's ODA Policy

Phase 1 of the project was consistent with the development issue of “human resource development and the promotion of human exchange” under the priority area of “strengthening industrial competitiveness” as identified in the “Country Assistance Policy for India” (March 2016). It was also aligned with the key development issue of “enhancing skills and knowledge” highlighted in the “JICA Country Analysis Paper for India” (2012). Phase 2 of the project, which was undertaken in the context of Japan and India sharing fundamental values under the “Japan-India Special Strategic and Global Partnership,” was positioned as one of the important instruments of Japan's ODA in strengthening bilateral relations. In addition, the necessity of fostering industrial human resources to promote the development of high-productivity industries was pointed out in the “JICA Country Analysis Paper for India” (March 2018). This project was consistent with these policies and analysis.

#### 3.1.2.2 Internal Coherence

No synergies or linkages with other JICA projects were planned, and no specific results were identified at the time of the ex-post evaluation.

#### 3.1.2.3 External Coherence

This project aimed to promote tourism and contribute to regional economic development through the construction of an environmentally conscious facility, which was expected to contribute to Sustainable Development Goal (hereinafter referred to as “SDG”) 9, “Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.” Although it was not explicitly stated at the time of planning, the facility was equipped with solar

power generation systems and sensor-based automatic lighting controls, which are also conceptually aligned with SDG 7, “Ensure access to affordable, reliable, sustainable and modern energy for all,” and SDG 13, “Take urgent action to combat climate change and its impacts.” In particular, the introduction of solar power generation was undertaken in compliance with the “Energy Conservation Building Code” (2017) of the Government of India, which was formulated in line with the principles of the SDGs. Therefore, these measures can be assessed as being consistent with the SDGs.

Furthermore, although coordination with the urban development plans of the special-purpose Smart City entity had been anticipated, neither a substantive collaboration nor a complementary relationship was identified. Similarly, no specific coordination or collaboration with other Japanese implementing agencies or other donors was confirmed.

Consistency with development policies and development needs was confirmed both at the time of planning and at the time of the ex-post evaluation. The project plan and approach were also appropriate. Consistency with Japan’s ODA policy and international frameworks was likewise recognized at the time of planning.

Therefore, its relevance and coherence are high.

### 3.2 Efficiency (Rating: ③)

#### 3.2.1 Project Outputs

It was planned that the project would include the construction of the VICCC, the procurement of equipment, detailed design, bidding assistance, construction and procurement supervision (consulting services), and a capacity building program of O&M guidance for the facility and equipment (soft component). The planned and actual outputs identified at the time of the ex-post evaluation are shown in the table below.

Table 2 Planned and Actual Outputs

| Item                                                         | Planned                                                                                                                                                                                                                                                                                                                    | Actual                                            |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Facility Construction                                        | <ul style="list-style-type: none"> <li>- Convention center (lobby, main hall, offices, storage, restrooms, parking, mechanical room (9,000 m<sup>2</sup>)), guardroom (32 m<sup>2</sup>)</li> <li>- External works <sup>Note 1</sup>, generator building and backup generator, solar power generation equipment</li> </ul> | Minor design modifications, but mostly as planned |
| Procurement of Equipment                                     | <ul style="list-style-type: none"> <li>- Stage equipment, lighting equipment, video and audio equipment, etc. (one set) <sup>Note 2</sup></li> </ul>                                                                                                                                                                       | As planned                                        |
| Consulting Service <sup>Note 3</sup>                         | <ul style="list-style-type: none"> <li>- Detailed design, bidding assistance, construction and procurement supervision</li> </ul>                                                                                                                                                                                          | As planned                                        |
| Capacity Building Program (Soft Component) <sup>Note 4</sup> | <ul style="list-style-type: none"> <li>- Guidance on O&amp;M of facility and equipment</li> </ul>                                                                                                                                                                                                                          | As planned                                        |

Source: Prepared by the evaluator based on ex-ante evaluation sheets for Phase 1 and 2, and the Final

Progress Monitoring Report.

Note 1: Construction of external facilities was implemented under Phase 2.

Note 2: Procurement of equipment was implemented under Phase 2.

Note 3: Consulting services were implemented under both Phase 1 and 2.

Note 4: The soft component was implemented under Phase 2.

As described in Section 3.1.1.3 “Appropriateness of the Project Plan and Approach,” part of the outputs (interior facilities and external works) was put into Phase 2 and implemented in a phased manner. During project implementation, design modifications were made to reflect changes in the architectural design; however, at the time of the ex-post evaluation, it was confirmed that the convention center had been constructed as planned, with the development of its major facilities. These included the hall, the 1,200-seat auditorium, stage, gallery, meeting rooms, dressing rooms, VIP room, restrooms for visitors, underground parking, Japanese garden, and guardroom. While there had been some minor design adjustments, there were no significant changes to the overall output.

The consulting service and soft components were implemented as planned.

### 3.2.2 Project Inputs

#### 3.2.2.1 Project Cost

The total project cost was planned at JPY 3,744 million, including JPY 3,042 million from the Japanese side and JPY 702 million from the Indian side. In reality, the total amounted to 3,175 million yen (Japanese side: JPY 2,757 million<sup>8</sup>; Indian side: JPY 417 million), which remained within the plan (85% of the planned cost). The main reason the project cost was kept within the plan was that competitive bidding among multiple contractors resulted in lower-than-expected contract prices, thereby reducing the actual expenditure on the Japanese side compared to the planned amount. With regard to the Indian side, since procedures for tax reimbursement to the contractors (main contractor and consultants) were still ongoing at the time of project completion, the final tax burden borne by the executing agency had not been determined. As a result, the actual expenditure on the Indian side was also lower than the planned amount.

#### 3.2.2.2 Project Period

The total project period was planned at 41 months, from September 2017 to January 2021. In reality, it extended to 43 months, from September 2017 to March 2021, which slightly exceeded the plan (105%)<sup>9</sup>. The reasons for the delays and interruptions confirmed in this evaluation study are shown in the table below. Although a total extension of 195 days (approximately 6.5 months) was officially approved during the project period, the actual delay

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<sup>8</sup> Of the total 2,757 million yen, 2,031 million yen was provided under the First Project and 726 million yen under the Second Project.

<sup>9</sup> For both the planned and actual figures, the month of G/A signing was defined as the project start, and the commencement of facility operation was defined as project completion.

was limited to about two months. To minimize delays, the consultant and the contractor identified critical activities that would have a significant impact on the overall schedule and prioritized implementation through schedule management. While the unique architectural design of VICCC made the steel structure works technically complex, three-dimensional design using Building Information Modeling (BIM)<sup>10</sup> was utilized, and precise verification with three-dimensional measurements was conducted during factory inspections. This helped prevent reworking and improved construction accuracy. In addition, the contractor adopted a policy of procuring construction materials primarily from within India, thereby avoiding the risk of delays due to customs clearance and tariff procedures. As a result of these measures, project delays were effectively contained, and the actual impact was minimized.

Table 3 Reasons for Project Delays and Suspension

| No    | Reason for Delay / Interruption                                                                                                                       | Reason for Delay / Suspension |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1     | Delay of 9 days in the handover of the project site due to a delay in related works borne by the client.                                              | 9 days                        |
| 2     | After the site handover, removal of underground structures remaining in the soil during excavation took longer than expected, causing a 36-day delay. | 36 days                       |
| 3     | Shortage of labor during the election period and the peak agricultural season resulted in a 10-day delay.                                             | 10 days                       |
| 4     | Suspension of works for 71 days from March 22, 2020, to May 31, 2020, due to the COVID-19 pandemic.                                                   | 71 days                       |
| 5     | Insufficient strength of concrete for pile works and shortage of labor caused a 69-day delay.                                                         | 69 days                       |
| Total |                                                                                                                                                       | 195 days                      |

Source: JICA documents

The project cost was within the plan, while the project period slightly exceeded the plan. Therefore, efficiency of the project is high.

### 3.3 Effectiveness and Impacts<sup>11</sup> (Rating: ③)

#### 3.3.1 Effectiveness

##### 3.3.1.1 Quantitative Effects (Operation and Effect Indicators)

The indicators “Number of Facility Visitors (persons/year)<sup>12</sup>” and “Number of International Events (times/year),” were among the operational and effectiveness indicators established at the time of planning, as listed in the table below. For the number of facility visitors, the target of 50,211 persons set for three years after project completion was exceeded, with an actual result of 59,355

<sup>10</sup> BIM (Building Information Modeling) is a methodology, commonly pronounced /bim/, that integrates and utilizes information related to design, construction, and maintenance of architecture, civil engineering, and building facilities through a three-dimensional model.

<sup>11</sup> When providing the sub-rating, Effectiveness and Impacts are to be considered together.

<sup>12</sup> In the text, the term “year” refers to the fiscal year, which in India runs from April 1 to March 31 of the following year.

persons at the end of FY2024 (118%)<sup>13</sup>. Although the figure dropped to 29% of the target in FY2021 due to the impact of the COVID-19 pandemic, it has shown a recovery trend thereafter, and from FY2022 onward has generally met, or remained close to, the target level. On the other hand, the number of international events reached only 4 in FY2024 (66% of the target), against the target value of 6 events per year. While there was only one event in FY2021 due to the impact of COVID-19 pandemic, the subsequent recovery has been moderate, and domestic events continue to account for the majority.

Regarding the definition of “international events” (Note 2 in the table), no clear definition had been established by the executing agency at the time of the first field study of this evaluation survey. Subsequently, prior to the second field study, the executing agency examined this issue and formalized a definition. In this evaluation, events have been organized and assessed in accordance with the definition set by the executing agency.

Although “Number of Events (times/year)” and “Number of Event Days (days/year)” are not operational or effectiveness indicators of this project, they are presented as reference information to complement an understanding of the utilization status of the facility. These indicators demonstrate the extent to which the facility is being used as a venue for various events, and are useful for capturing the quantitative aspects underlying the results for visitor numbers and international events. The actual data shows that the number of events has ranged between 40 and 61 annually, maintaining a certain level of activity. Similarly, the number of event days has consistently exceeded approximately 60 days per year, indicating a stable level of facility utilization. These operational results can be regarded as one factor contributing to the visitor numbers exceeding the target and are consistent with the achievements in visitor numbers. However, they do not necessarily correlate with the number of international events, indicating that utilization of the facility remains largely concentrated on domestic events.

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<sup>13</sup> The actual number of facility visitors in each fiscal year indicates the extent to which the targets set at the time of project planning have been achieved. For example, the figure for fiscal year 2024 (three years after project completion), 59,355 (118%), shows that the actual result reached approximately 118% of the target originally set for FY2024 (50,211 persons).

Table 4 Operation and Effect Indicator

|                                                               | Baseline value | Target value             | Actual value    |                         |                          |                          |
|---------------------------------------------------------------|----------------|--------------------------|-----------------|-------------------------|--------------------------|--------------------------|
|                                                               | 2016           | 2024                     | 2021            | 2022                    | 2023                     | 2024                     |
|                                                               |                | 3 Years After Completion | Completion Year | 1 Year After Completion | 2 Years After Completion | 3 Years After Completion |
| Number of Facility Visitors (persons/year) <sup>Note 1</sup>  | -              | 50,211                   | 14,355 (29%)    | 54,885 (109%)           | 44,825 (89%)             | 59,355 (118%)            |
| Number of International Events (times/year) <sup>Note 2</sup> | -              | 6                        | 1 (17%)         | 5 (83%)                 | 4 (66%)                  | 4 (66%)                  |
| [Reference] Number of Events (times/year)                     | -              | -                        | 40              | 61                      | 47                       | 51                       |
| [Reference] Number of Event Days (days/year)                  | -              | -                        | 62              | 88                      | 74                       | 76                       |

Source: the First and Second Ex-Ante Evaluation Forms (baseline and target values) and materials provided by the executing agency (actual values).

Note 1: Regarding the method of counting facility visitors in this table, during event periods the figures are based on the number of participants reported by the event organizers. In contrast, during non-event periods, the figures are based on the number of visitors counted by the ISWHC office within the VICCC. In addition to conferences and performances, the visitor numbers in this table also include attendees of exhibition events. However, users of restaurants and parking facilities within the VICCC have not been counted to date and are therefore not included in this table.

Note 2: The executing agency defines “international events” as gatherings, activities, or occasions involving participants, organizations, or audiences from multiple countries. As a supplementary explanation, such events are generally intended to promote global cooperation, foster cultural exchange, and celebrate achievements across borders. International events are also organized to provide opportunities for business and academic discussion, to build partnerships, and to enhance international understanding.

### 3.3.1.2 Qualitative Effects (Other Effects)

Among the qualitative effects envisaged at the time of planning, this section examines and evaluates the promotion of intellectual exchange, human resource exchange, and civic exchange through various events.

In terms of intellectual exchange, according to Banaras Hindu University, All-India Education Conference (the Akhil Bharatiya Shiksha Samagam), which had initially been planned to be held at the University in 2022, was instead held at VICCC due to the superior quality of its facilities and its capacity to accommodate a large number of participants. The conference brought together government officials, presidents, and representatives of leading Indian universities, where they reviewed the implementation status of the National Education Policy announced in 2020 and issued a policy document known as the “Varanasi Declaration on Higher Education.” In addition, according to a principal of nearby primary school, the construction of VICCC, with its 1,200-seat capacity, has created opportunities for students from different schools to come together for debates and presentations, thereby enhancing opportunities for interaction among students. Furthermore, events organized by the Indo-Japan Chamber of Commerce & Industry have advanced mutual cultural

understanding through student exchanges and cultural programs between the two countries.

In terms of human resource exchange, VICCC has promoted networking among professionals and business operators through the hosting of diverse events, including international conferences, festivals, cultural exchange events, and trade fairs. Such events have generated employment and business opportunities for local event organizers, catering providers, and travel agencies, while also fostering the formation of an ecosystem<sup>14</sup> among related industries.

VICCC has also played an important role in terms of civic exchange. For example, events such as film screenings and talk sessions related to “Mahabharata: the Completion Edition”<sup>15</sup>, which features Japanese actors, have been organized, attracting diverse audiences and fostering cultural exchange between India and Japan. In addition, national-level events drawing participants from across India have also been held, creating opportunities for networking among citizens. Moreover, interactions between visitors and local residents through tourism have had positive spillover effects on surrounding sectors such as accommodation, food and beverage, and on street vendors.

### 3.3.2 Impacts

#### 3.3.2.1 Intended Impacts

Among the qualitative effects envisaged at the time of planning, this section examines and evaluates “strengthening industrial competitiveness through the promotion of tourism,” “advancing efforts to strengthen international relations,” and “enhancing Japan-India bilateral relations” as the impacts of this project.

With regard to strengthening industrial competitiveness through the promotion of tourism, according to the executing agency and the Uttar Pradesh Tourism Department, the construction of VICCC has enabled Varanasi to host large-scale events, making a significant contribution to the growth of the tourism industry and related businesses. With the increase in visitors to VICCC, the occupancy rate and revenues of hotels and lodging facilities have improved, while new business opportunities have been created for local travel agencies and transportation service providers. In addition, through the hosting of festivals and cultural events, VICCC has played a role in disseminating Varanasi’s traditions. Furthermore, increased demand for the operation of VICCC and for tourism-related services has generated direct and indirect employment, creating spillover effects on the regional economy, including for restaurants, shops, and handicraft vendors.

Beyond the tourism sector of Varanasi, VICCC has also contributed to initiatives promoted by the Government of India for regional industrial development. Trade fairs have been held in collaboration with the Agricultural and Processed Food Products Export Development Authority, the National Bank for Agriculture and Rural Development, and the Khadi and Village Industries Commission, providing opportunities for exhibitions and business meetings. These efforts were part

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<sup>14</sup> An environment in which various stakeholders collaborate with one another to continuously create value.

<sup>15</sup> One of the epic poems depicting the struggles of ancient Indian royalty and the teachings of the gods.

of the Government of India's "One District One Product (ODOP)<sup>16</sup>" program, aimed at supporting traditional local industries, and events introducing and selling local specialties such as the black pottery of Uttar Pradesh and Varanasi silk saris have been organized, thereby contributing to tourism promotion and to strengthening industrial competitiveness.

With regard to advancing efforts to strengthen international relations, according to the executing agency, the construction of VICCC has enabled the hosting of G20 and international cultural events. In 2023, VICCC served as the venue for the "Youth Summit," a dialogue forum for young people from G20 member states. Approximately 150 representatives from G20 countries, guest countries, and international organizations gathered, providing an opportunity for international dialogue. At the summit, discussions were held on themes such as "The Future of Work (Fourth Industrial Revolution and Innovation)," "Peacebuilding and Reconciliation," "Climate Change and Disaster Risk Reduction," "Shared Future (Youth's Role in Democracy and Governance)," and "Health, Well-being, and Sports," and the outcome of the discussions were submitted as recommendations to G20 leaders. The summit also facilitated the development of cross-border human networks. Under the G20 Troika system, with India serving as chair, Indonesia as the previous chair, and Brazil as the incoming chair, the Youth Summit flag was handed over from India to Brazil, strengthening ongoing relations and international collaboration. The handover of the flag symbolized cooperation and continuity among the participating countries at the Youth Summit.

Through diverse initiatives, VICCC has also contributed to enhancing Japan-India relations. In September 2022, a student exchange program organized by the Indo-Japan Chamber of Commerce and Industry brought together 40 students each from Japan and India, fostering deeper human exchange. In addition, a cultural event commemorating the 70th anniversary of Japan-India diplomatic relations, organized by the Embassy of Japan in India, featured the screening of "Mahabharata: The Complete Edition" with Japanese actors, thereby promoting Japanese culture and mutual understanding. The screening was attended by several senior officials of the Government of Uttar Pradesh, government representatives, university professors, and leaders of cultural and economic organizations, with participation numbering in the several hundred. This large-scale cultural event served as a valuable opportunity to deepen cultural ties between Japan and India. Furthermore, the film was broadcast on India's national television, generating wide-ranging impacts. VICCC has also been one of the main sites visited by Japanese dignitaries traveling to India, thereby reinforcing its role as a symbolic venue of Japan-India friendship.

### 3.3.2.2 Other Positive and Negative Impacts

#### 1) Impacts on the Environment

This project was classified as Category C under the "JICA Guidelines for Environmental and

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<sup>16</sup> A policy of the Government of India to promote regional specialty products (one district, one product) and foster the growth of local industries. It was inspired by Japan's "One Village, One Product" movement.

Social Considerations” (2010), and it was assessed that adverse impacts on the environment would be minimal. As planned, appropriate measures were taken regarding noise, vibration, waste disposal, wastewater treatment, safety, and surrounding traffic during construction, and no negative environmental impacts, problems, or complaints were reported.

## 2) Resettlement and Land Acquisition

It was confirmed that no resettlement took place under this project, and no problems were identified in relation to land acquisition. The land owned by Varanasi City was utilized for project implementation, and no additional land acquisition was required.

## 3) Gender Equality, Marginalized People, Social Systems and Norms, People’s Well-being and Human Rights

At the time of planning, it was required that the arrangement and routing of women’s restrooms should be considered in the facility design. VICCC has a seating capacity of 1,200, and it was confirmed that the number of restrooms installed exceeded the standards stipulated in the National Building Code 2016 (hereinafter referred to as “NBC 2016”). While NBC 2016 does not specify the exact number of multipurpose restrooms, VICCC has introduced two units, thereby providing measures to accommodate the convenience of diverse users.

Table 5 NBC 2016 Standards and the Number of Toilets in the VICCC

| Item           | NBC 2016 Standard                      | Actual Numbers |
|----------------|----------------------------------------|----------------|
| Male Toilets   | 6 (1/100 up to 400, thereafter 1/250)  | 16             |
| Male Urinals   | 32 (1/25)                              | 41             |
| Female Toilets | 10 (3/100 up to 200, thereafter 2/100) | 20             |

Source: Prepared by the evaluator based on NBC 2016 and the results of the field survey.

## 4) Unintended Positive / Negative Impacts

According to the “Data Collection Survey for Varanasi Convention Center in India,” there had been a public auditorium on the VICCC construction site, which was in a bad condition and where event use had been limited. Interviews with VICCC users, however, indicated that in spite of this the old auditorium had been made available at low cost to local cultural and civic groups and concerns were raised regarding the high facility usage fees of the current VICCC. Some users have suggested that this might hinder the project’s intended objective of promoting intellectual, human resources, and civic exchange.

The number of events held at the old auditorium could not be confirmed in this evaluation, and it was not possible to identify those responsible for its management at the time, making it difficult to verify the actual operating conditions. Meanwhile, it was confirmed that various other auditoriums exist within Varanasi City, both large and small, serving as alternatives to the

demolished auditorium since the construction of VICCC. While the usage fees of VICCC are indeed high<sup>17</sup>, in the overall context of the city, a natural division of roles has been achieved by the existence of alternative facilities, and it cannot be concluded that the construction of VICCC has deprived citizens of venues for intellectual, human resource, and civic exchange. Public auditoriums serving as alternatives within the city are shown in the table below. Among these, Girja Devi Sanskritik Sankul (hereinafter referred to as “GDSS”), which is under the jurisdiction of the Varanasi Development Authority, hosted 51 events in FY2021, mainly weddings and cultural events. These events incorporated traditional performing arts and performances, thereby providing opportunities for local performing arts groups and cultural performers. In addition, GDSS has provided information to event organizers and offered opportunities for traditional performing arts groups and cultural performers to participate in various events such as weddings, cultural events, exhibitions, and product launch performances.

Furthermore, according to the CPWD, construction is underway for a modern auditorium (No. 5 in the table) equipped with lighting, ventilation, air conditioning, fire protection systems, safe seating arrangements, stage lighting, and sound systems, while renovation, which started in 2021, has been completed on another auditorium (No. 6). The facilities of Banaras Hindu University are also open to the general public and serve as public cultural facilities.

Table 6 Convention Centers in Varanasi City

(Unit: persons)

| No. | Name of Convention Centers                                 | Capacity |
|-----|------------------------------------------------------------|----------|
| 1   | Ajanta Commissionary Auditorium                            | 350      |
| 2   | GDSS                                                       | 1,000    |
| 3   | Banaras Hindu University Mahamana Auditorium               | 800      |
| 4   | Banaras Hindu University K N Udupa Auditorium              | 200      |
| 5   | Banaras Hindu University Swatantrata Bhawan                | 1,500    |
| 6   | Banaras Hindu University Pt. Onkaar Nath Thakur Auditorium | 500      |

(Source: Materials provided by the executing agency)

It was confirmed with VMC that since the opening of VICCC, 2–3 complaints had been received from facility users regarding the high usage fees. In response, VMC and VSCL held consultations and agreed that a certain level of high usage fees was inevitable in order to ensure quality management as an international-standard facility and to secure future funds for equipment renewal. At the same time, in order to promote greater utilization of the facility, adjustments were made with the O&M contractor ISWHC to introduce a new fee structure in line with user needs. VMC also emphasized that regular monitoring of the O&M contractor is indispensable for maintaining facility quality, and that the VICCC is not operated as a fully independent O&M entity

<sup>17</sup> Although the seating capacities of each facility differ, when a private company rents an auditorium for half a day, the fee is INR 215,000 at the VICC, compared to INR 25,000 at the Ajanta Commissionary Auditorium and INR 150,000 at the GDSS.

but rather remains under the supervision of the city authorities.

VICCC has achieved results exceeding its targets in terms of annual visitor numbers, functioning as a facility that attracts visitors from both inside and outside the region. While the number of international events did not reach the target, VICCC has contributed to the promotion of intellectual, human resources, and civic exchange through its use in academic, policy, and educational fields. Impacts have also been observed in terms of spillover effects on the regional economy through tourism, the revitalization of local industries, and the strengthening of international and bilateral relations, with tangible outcomes from the multipurpose utilization of the facility. Although the issue of high usage fees remains, efforts toward improvement, such as the review of fee structures by the operating entity, have been recognized. Moreover, the existence of alternative facilities within the city has helped to mitigate negative impacts on civic activities and cultural events through a natural division of roles.

In light of the above, this project has mostly achieved its objectives. Therefore, effectiveness and impacts of the project are high.

### 3.4 Sustainability (Rating: ③)

#### 3.4.1 Policy and System

In the “National MICE Industry Strategy 2022” issued by the Ministry of Tourism of India, Varanasi is categorized as a “Challenger City.” This indicates that while the city is recognized as having strong potential to become a future MICE hub, further infrastructure development and policy support are required. The fact that Varanasi has been identified as a target for priority support at the national level is considered to be a favorable factor in the further utilization of this project. In addition, the Government of Uttar Pradesh has launched measures under the “Tourism Policy 2022 (2022–2027)” such as the development of 12 tourism corridors, tax incentives, and investment promotion schemes, thereby accelerating the development of tourism-related infrastructure. Furthermore, the “Tourism Policy 2022 (2022–2032)” incorporates a longer-term perspective, including the promotion of sustainability, community-based tourism, digital tourism, and wedding tourism, as well as human resource development and further investment promotion measures, creating a policy environment conducive to the multifaceted development of tourism.

No particular issues were identified in terms of policy and institutional aspects.

#### 3.4.2 Institutional/Organizational Aspect

The operating body was entrusted not to the special-purpose Smart City entity as originally envisaged, but to VSCL after project completion as part of a Public-Private Partnership (hereinafter referred to as “PPP”). In India, the use of PPP approaches has been actively promoted under the

Smart City Mission<sup>18</sup>, and VSCL has been established as the operating body responsible for such projects, including PPPs. The burden of O&M expenses for VICCC shifted from the government, as originally planned, to the private operator, adopting a revenue sharing model<sup>19</sup>. Under this arrangement, VSCL is responsible for O&M management, while ISWHC undertakes facility O&M and marketing. ISWHC has provided O&M services for 40 facilities across India for more than 20 years. As of May 2025, the number of staff at VICCC was 38, of whom 4 were women. The relatively low proportion of women employees was attributed to the nature of event management operations, which frequently require night shifts. A major challenge identified was the limited availability of public transportation at night, making it difficult for female staff to commute safely and with peace of mind. Furthermore, many women face difficulties in obtaining understanding or permission from their family members for night work, and the lack of sufficient consideration, flexible working arrangements, and safety measures from the employer's side has also been a barrier to the recruitment and retention of female staff. In the future, it will be necessary to review work arrangements, provide transportation support, and strengthen workplace safety measures to create a workplace where a more diverse human resources, including women, can play an active role.

Overall, the organizational and institutional arrangements function appropriately. However, continuous efforts are needed to ensure diversity in human resources, including in the aspect of gender.

### 3.4.3 Technical Aspect

With regard to the preparation and utilization of Standard Operating Procedures (hereinafter referred to as "SOPs") and related manuals for facility O&M, the field survey confirmed that regular O&M has been carried out in accordance with these manuals, and work procedures are displayed at the work sites, thereby maintaining a certain level of management standards for routine operations.

It was confirmed that training varied by field. For audiovisual equipment such as stage lighting and sound systems, training has been provided by a Japanese engineer and the equipment suppliers who were involved in installation under this project. The operational skills of staff were confirmed during this survey. Regular training on fire safety measures was also confirmed. These areas are considered to have been supported by appropriate technical transfer and sustained operation. On the other hand, with respect to facility management, legal compliance, customer service, and event management, which are generally essential for convention center operations, the extent of systematic training was unclear, with both insufficient standardization and record-keeping. This remains a challenge.

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<sup>18</sup> The Smart Cities Mission, launched in 2015, is an initiative of the Government of India aimed at creating sustainable and inclusive urban development. Its objective is to provide citizens with a comfortable living environment and essential infrastructure through the application of smart solutions.

<sup>19</sup> A business model in which the "revenue" generated from a project is distributed among stakeholders (such as operators, managers, landowners, and the government) according to predetermined ratios.

Regarding marketing strategies, the survey confirmed that a common understanding of target customer segments and approaches had not been sufficiently established among the staff. Efforts to improve, such as reviewing marketing strategies, were recognized as positive steps. However, fundamental data management, such as defining international events and monitoring visitor numbers, remained inadequate, and visitor feedback had not been fully reflected in operations. As a result, mechanisms and operational practices to make effective use of collected information in decision-making remain an area requiring further improvement.

In summary, while a certain standard of facility management and technical operation of equipment has been maintained, the lack of systematic technical training, insufficient data management, and the limited use of information indicate that improvements are still required to achieve sustainable and effective facility management.

#### 3.4.4 Financial Aspect

VSCL and ISWHC have concluded a revenue-sharing agreement, under which ISWHC provides a portion of its revenues to VSCL. The revenues of VICCC include event revenues from the convention center operated by ISWHC, rental income from the restaurant adjacent to VICCC, for which ISWHC has an outsourcing contract (operated by Mahabaleshwaram Hospitality under a contract signed in March 2024), and monthly parking fees from the parking area managed by AR Construction (under a contract signed in October 2022). The O&M costs of VICCC are borne by ISWHC under the contract. Net operating surplus, after deducting O&M costs from ISWHC revenues, remained negative from FY2021 to FY2023, meaning that operations were effectively sustained by ISWHC's burden of O&M costs. However, in FY2024, a surplus was achieved on an operating basis. It was explained that part of the facility usage fees from government-hosted events remained uncollected and had been recorded as accounts receivable on the balance sheet. Although the profit and loss statement showed a surplus, there remains a risk that cash flow could be affected depending on the status of receivable collection.

Revenues allocated to VSCL are fully reserved in a bank account managed by VSCL and dedicated to VICCC and accumulated for future large-scale renovations and capital investment, with no plans to divert such funds to other projects.

With respect to the operation of the VICCC, VMC and VSCL staff have regularly monitored both the status and challenges. While some complaints regarding high usage fees were received from citizens, a new fee package<sup>20</sup> has been introduced on a temporary basis. Moreover, staffing of the sales department has been increased to strengthen marketing activities, and further initiatives are under consideration to increase revenues.

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<sup>20</sup> According to the previous fee schedule, fees were set for each venue, such as the auditorium, lobby, conference rooms, and waiting rooms, with additional charges applied for items such as electricity and cleaning services. In contrast, under the new fee schedule, which is valid until the end of March 2026, the auditorium, lobby, and incidental costs are offered as a discounted package.

No present issues were identified in the financial aspects.

#### 3.4.5 Environmental and Social Aspect

No potential future adverse impacts on the environment or society as a result of this project were identified.

#### 3.4.6 Preventative Measures to Risks

No risks were identified that would hinder the sustainability of the project effects. Although “high groundwater level” and “increase in Phase 2 project costs,” had been identified at the planning stage as potential risk factors for cost escalation, no impact on project delays was confirmed, based on internal JICA documents. With respect to groundwater, countermeasures against leakage continue to function, and no major problems have been observed.

#### 3.4.7 Status of Operation and Maintenance

Facility maintenance has been conducted by ISWHC staff, with no subcontracting implemented. Visual inspection of VICCC facilities and surrounding areas confirmed that there were no issues.

No problems were observed in the operation and maintenance of the facility after handover.

Slight issues have been observed in the technical aspects, however, there are good prospects for improvement/resolution. Therefore, sustainability of the project effects is high.

### **4. Conclusion, Lessons Learned and Recommendations**

#### 4.1 Conclusion

The objective of this project was to promote domestic and international human and cultural exchange by constructing an international cooperation and convention center in Varanasi, northern India, thereby contributing to strengthening industrial competitiveness through promotion of the tourism sector. At both the time of planning and the time of the ex-post evaluation, the project was consistent with the development policies of the central and state governments of India and with the country’s development needs. Although no specific collaboration or coordination with other JICA projects was identified, it was confirmed that the project was consistent with Japan’s ODA policy and with international frameworks. Therefore, its relevance and coherence of the project are high. The project cost was within the plan, although the project period slightly exceeded the plan, therefore, efficiency of the project is high. Regarding effectiveness and impacts, the project exceeded its target for the number of facility visitors (person/year), functioning as a facility that attracts visitors from both within and beyond the region. While the number of international events held did not reach the target, the facility contributed to the promotion of intellectual exchange, human resource development, and civic engagement. Positive impacts were also observed in terms of spillover effects on the regional

economy through the promotion of tourism, the revitalization of local industries, the strengthening of international relations, and the deepening of bilateral relations between India and Japan. Although the high usage fees for the facility remain a challenge, the negative impacts on civic activities and cultural promotion have been partially mitigated through revisions to the fee structure and differentiation from other similar facilities in the city. Therefore, effectiveness and impacts of the project are high. With regard to operation and maintenance since project completion, although some minor technical issues have been identified, there is a high prospect of improvement and resolution. Therefore, sustainability of the project effects is high.

In light of the above, this project is evaluated to be highly satisfactory.

## 4.2 Recommendations

### 4.2.1 Recommendations to the Executing Agency

#### Implementation of Comprehensive Staff Training for Facility Management

While appropriate training has been provided in technical areas related to stage operations, such as lighting and sound, and the retention of skills has been confirmed, the status and documentation of systematic training in essential operational areas, including legal compliance, customer service, and event management, remain unclear. It is recommended that a structured training program covering overall facility operations is established, that regular implementation is ensured, and that comprehensive records of staff participation are maintained. In particular, for fundamental operational areas such as facility management and customer service, it is desirable that practical training based on standardized manuals and SOPs is combined with classroom training in order to avoid excessive reliance on specific staff. In addition, the digital management of training records, such as participation history and proficiency levels, is required to ensure continuous human resource development.

#### Establishment of a System for Quantitative Management of Visitor and Event Information and Utilization of Feedback

The collection of basic data, such as the number of visitors and the attributes of events, has depended largely on self-reporting by event organizers, and there has been an insufficient level of unified monitoring by the facility. Although questionnaire forms have been prepared for event organizers, the feedback collected has not been systematically analyzed or used for statistical purposes. Therefore, it is necessary to establish a system that enables the facility to quantitatively collect and record data such as organizer profiles, purposes of use, and visitor numbers. For example, the introduction of an entry/exit management system would enable the accumulation of quantitative data as a basis for operational decisions. Furthermore, mechanisms should be developed to collect and analyze feedback, not only from event organizers, but also from visitors, and to reflect the findings in improvements to facility operations.

#### 4.2.2 Recommendations to JICA

None

#### 4.3 Lessons Learned

##### Introduction of Strategic Marketing to Enhance Facility Profitability

To improve the profitability of public cultural and tourism facilities, it is essential that the operating body implements strategic marketing. In particular, when projects aim to attract foreign tourists and group visitors, it is important that the basic marketing process is conducted from the initial stage of the project, and that this includes analysis of demand, the identification of target groups, and consideration of appropriate promotion methods.

Under this project, guidance and advice on marketing were provided through the soft component, and concrete recommendations were made at project completion to promote international use of the facility, for example, by attracting foreign users and international events. However, the knowledge provided was not systematically utilized as a strategy by the executing agency or by the O&M company, and has not become fully embedded in daily operations. Moreover, unlike in the technical areas, no specialized support system for marketing was established after project completion, resulting in limited opportunities for continuous capacity development. Consequently, opportunities to increase facility utilization and revenues may not have been fully realized.

For similar future projects, marketing should be positioned as a key strategic element of facility management. It is recommended that a system is established to support the institutionalization of knowledge and continuous skills enhancement through ongoing expert involvement and training opportunities. In addition, in order to promote the standardization of marketing-related operations and strengthen organizational efforts, support measures should be developed from the planning stage, considering the role and capacity of the operating body, and phased follow-up after project completion should be considered as appropriate.

##### Clarification of Indicator Definitions and Measurement Methods at the Planning Stage

To ensure the validity of operational and effectiveness indicators, it is important that definitions and measurement methods are clarified at the planning stage and that a common understanding is established among stakeholders. For example, in this project, although “number of international events” was adopted as an indicator, there were inconsistencies between the interpretation of the indicator and the data collected and reported. These could have been avoided if definitions such as the nationality of organizers and participants, event content, and data collection methods had been clearly set in advance. This would have enabled more accurate measurement of results and greater consistency in the ex-post evaluation. For future projects, it is desirable that JICA explicitly specifies indicator definitions and data collection policies at the time of the setting of indicators, and that the organization and verification of information is included within the scope of consultants’ work. Furthermore,

considering the development needs of the partner country and alignment with Japan's ODA policies, it is recommended that core indicators such as "number of events" or "number of events for attracting visitors" are complemented by additional indicators directly linked to industrial promotion and competitiveness, such as the number of trade fairs for regional specialty products or local branding initiatives, thereby enhancing the consistency and effectiveness of evaluation.

#### Ensuring Alignment of Project Objectives in the Introduction of PPP after Project Completion

At the planning stage, the introduction of a PPP approach for the O&M of the facility was not envisaged. However, should the executing agency delegate O&M to a private operator after project completion, it is important that the objectives of the JICA project are maintained while leveraging efficient and effective private sector management. The introduction of PPP can be an opportunity to improve operational efficiency and strengthen service quality by incorporating private sector resources and know-how. In this project, the O&M operator proactively pursued initiatives to balance profitability and convenience, such as establishing a restaurant on the VICCC premises operated by a private food service provider, to provide catering services for event participants while also serving the general public in a shared space. Similarly, parking areas unused during non-event periods were monetized through monthly rental contracts, generating revenue from otherwise idle space. These initiatives represent good practices in enhancing facility utilization and sustainability by integrating private sector perspectives.

At the same time, it is important that opportunities are ensured for activities of local residents and that their access to the facility is not unduly restricted by excessive emphasis on efficiency and profitability. Accordingly, when introducing PPP arrangements, it is essential that community needs and activities are fully understood and those operating policies are established that balance public interest with profitability. Specifically, in determining facility usage conditions and fee structures, it is necessary to formulate fair and transparent policies through a consensus-building process with the local community. This approach will make it possible to make use of private-sector efficiency while safeguarding project objectives and protecting opportunities for community engagement.

## **5. Non-Score Criteria**

### **5.1 Performance**

#### **5.1.1 Objective Perspective**

None

### **5.2 Additionality**

None

(End)