

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:198
ANSWERED ON:16.11.2007
VIABILITY GAP FUNDING FOR METRO PROJECT
Rao Shri Sambasiva Rayapati

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government is considering a proposal to enhance the viability gap funding for States to take up Metro Rail Projects;
- (b) if so, the details thereof; and
- (c) the share of Government of Andhra Pradesh therein?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKEN)

(a): Yes, Sir.

(b): Under the existing `scheme of financial support to Public Private Partnership (PPP) in infrastructure` of Ministry of Finance, 20% of the cost of a project being executed in the PPP mode is permissible in the form of capital grant at the stage of project construction as Viability Gap Funding (VGF) from Ministry of Finance and balance VGF upto further 20% of the project cost can be provided by the sponsoring Ministry/State Govt./statutory authority, that owns the project, out of its Budget. The proposal for GOI providing additional 10% Viability Gap support under Jawaharlal Nehru National Urban Renewal Mission beyond 20% by Ministry of Finance is under Inter-Ministerial consideration.

(c): The project cost estimated by the State Government is Rs. 8760 crores. The State Govt. has not specified the exact amount of Central assistance required. This amount will depend upon the amount of VGF demanded by selected bidder.