

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
LOK SABHA  
UNSTARRED QUESTION NO. 4973**

To be answered on Friday, March 31, 2017/Chaitra 10, 1939 (Saka)

**Value Capture Financing**

4973. SHRI KODIKUNNIL SURESH:

SHRIMATI KAVITHA KALVAKUNTLA:

“Will the Minister of FINANCE be pleased to state:

(a) whether the Government has included/ proposes to include Value Capture Financing (VCF) to be an integral part of Detailed Project Report (DPR) of all projects;

(b) if so, the details thereof;

(c) whether the Government proposes to review the public investment projects being implemented in the States to examine the assessment of VCF in the DPR of these projects;

(d) if so, the details thereof; and

(e) whether the Government has implemented any projects including the concept of VCF and if so, the details thereof along with the number of States/UTs that have been asked to submit fresh DPR which include VCF option?

**ANSWER  
MINISTER OF STATE FOR FINANCE  
(SHRI ARJUN RAM MEGHWAL)**

(a) to (e): Yes, Government has decided to include Value Capture Financing to be an integral part of Detailed Project Report (DPR) of all projects of the Central Government. For this purpose, all the Ministries and Departments have been advised to include the option of Value Capture Financing in the proposal to be submitted for appraisal before the competent authority. The O.M. dated 7<sup>th</sup> March 2017 of Department of Expenditure in this regard is enclosed at **Annexure**. Ministry of Urban Development has issued detailed Policy Framework to guide States / ULBs to optimize potential revenue from a range of VCF tools.

No.66(20)/PF-II(2016)  
Ministry of Finance  
Department of Expenditure  
Plan Finance – II Division

North Block, Sansad Marg,  
New Delhi, dated – 07.03.2017

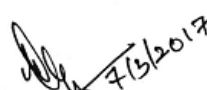
**OFFICE MEMORANDUM**

**Subject: Value Capture Financing as part of the PIB format per appraisal of project of the Central Government.**

Reference is invited to the subject mentioned above. Government has decided Value Capture Financing to be an integral part of Detailed Project Report (DPR) of all projects of the Central Government. It has also been decided that the Public Investment Board (PIB) headed by the Secretary (Expenditure) as well as the Delegated Investment Board (DIB) chaired by the administrative Department concerned while appraising a project of the Central Government being implemented in the States, would see whether the Ministry/Department piloting the proposal relating to the project has examined the option of Value Capture Financing or not. In this regard, I am directed to enclose a revised format for PIB/DIB memorandum for proposal of projects which was earlier circulated as Annexure – IV-B to the O.M. No. 24(35)/PF-II/2012, dated 5<sup>th</sup> August, 2016.

2. It is highlighted that henceforth all PIB/DIB memorandums will also contain the details with regard to Value Capture Financing (as part of the revised PIB/DIB format) for the following three points:

- i) If the DPR for the project has considered Value Capture Financing as a source for financing the project as per the guidelines circulated by Ministry of Urban Development.
  - ii) If the Ministry/Department has examined the option of Value Capture Financing.
  - iii) If the project financing has been considered as a source of financing for the project, then the details of the estimated amount and the mode of such Value Capture Financing.
3. This issues with the approval of the Finance Secretary.

  
(Anu Kukreja)  
Deputy Director (PF-II)  
Tel No. 23095664

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**Encl: As above.**