

BUILDING ULB CAPACITY FOR PPPs

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Momentum Waning?

- ULBs have to be at the very heart of urban PPPs in India
- Last 5 years saw a number of urban PPPs being developed with support from state, centre, MDBs
- Results have been mixed
 - Private sector interest fluctuating, both domestic and international
- 11 initial EOIs for an Aurangabad water project and considerable interest to changing strategies in international companies today focused on other countries

Critical to establish a clear commitment for reforms
and
capacities to develop and implement projects

Aurangabad Full
City NRW
Reduction Project

Guwahati SWM

Kolhapur
Sanitation Project

Nagpur Water

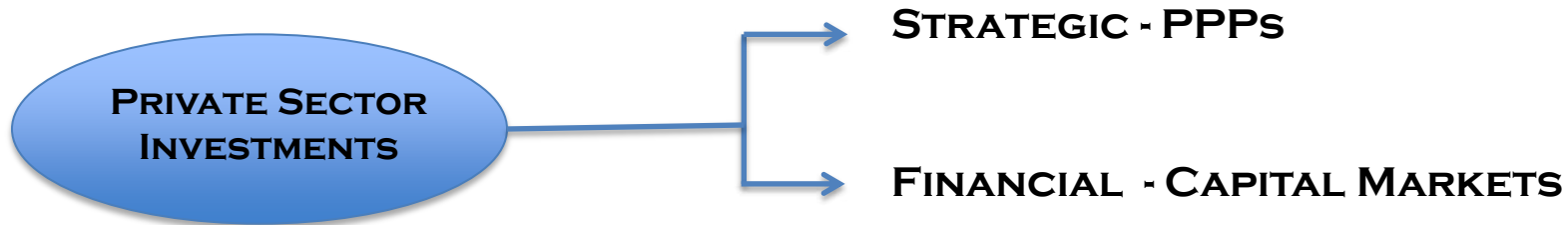
Guwahati Water

Karnataka
KUDCEMP 10
Cities

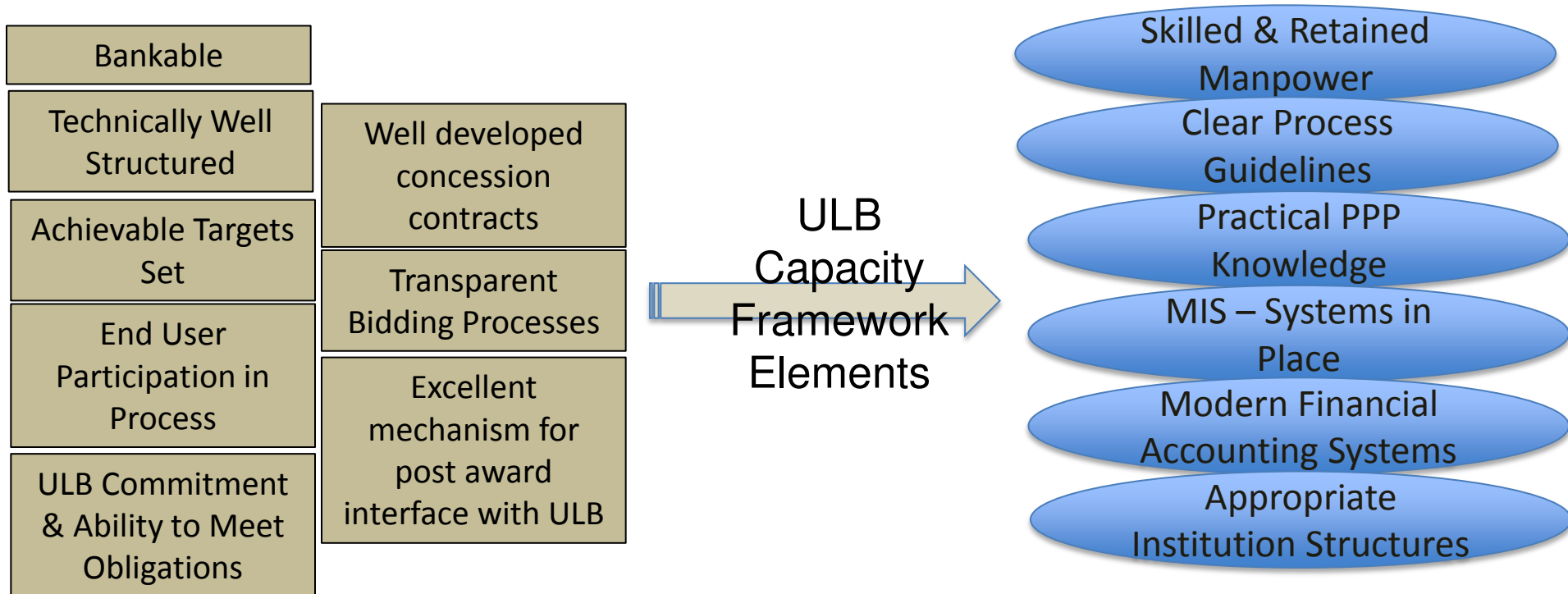
Shimla Water NRW
Reduction

Madhya Pradesh 3
Cities 24 by 7
Zones

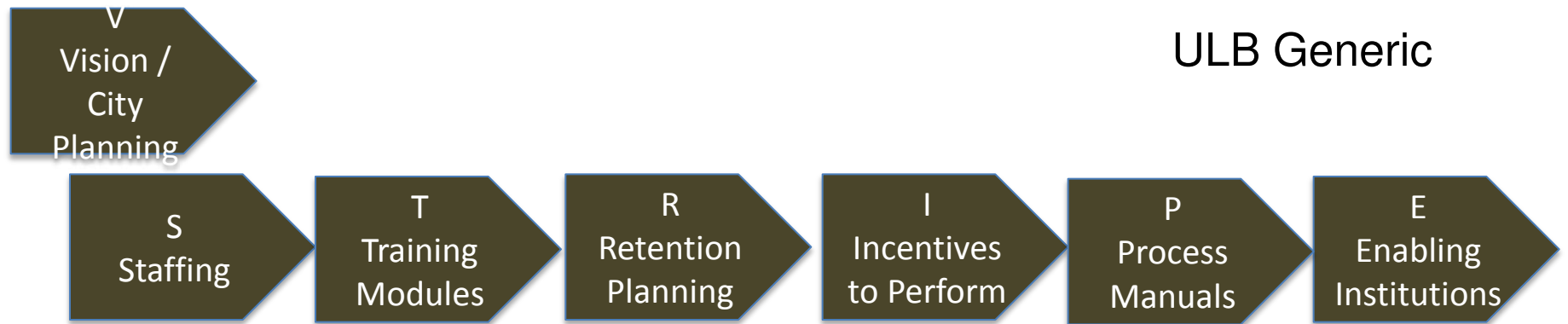
Private Sector Flows When...



Essence is the same and requires ULBs and proposed projects to be



Capacity Framework Elements



PRACTICALS

- Clarity in project goal – NRW / O&M etc
- Set credible technical baselines and performance targets
- Create doable projects – zone / pilot / O&M
- Develop good cost estimate models
- Develop appropriate PPP models – linked to financial viabilities
- Sound contracts development
- Contract Management Systems
- Undertake skilled procurement processes


Formal and Informal Approaches

Training

Process & Systems

- Numerous training programmes and institutes – MOUD, other
- Process manuals & guidelines from state / centre
- Assistance from government and MDBs to develop systems

Knowledge Sharing

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- Peer to Peer Groups
 - International Exchanges

Establish PPP Cells
/ Units at ULBs

- Senior level official to head
- Dedicated team for at least 5 years
- Financial, technical, safeguard, consumer interface professionals

Establish
Outsourced Advice

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- Transaction Advisors
 - Audit Firms

Innovate Funding

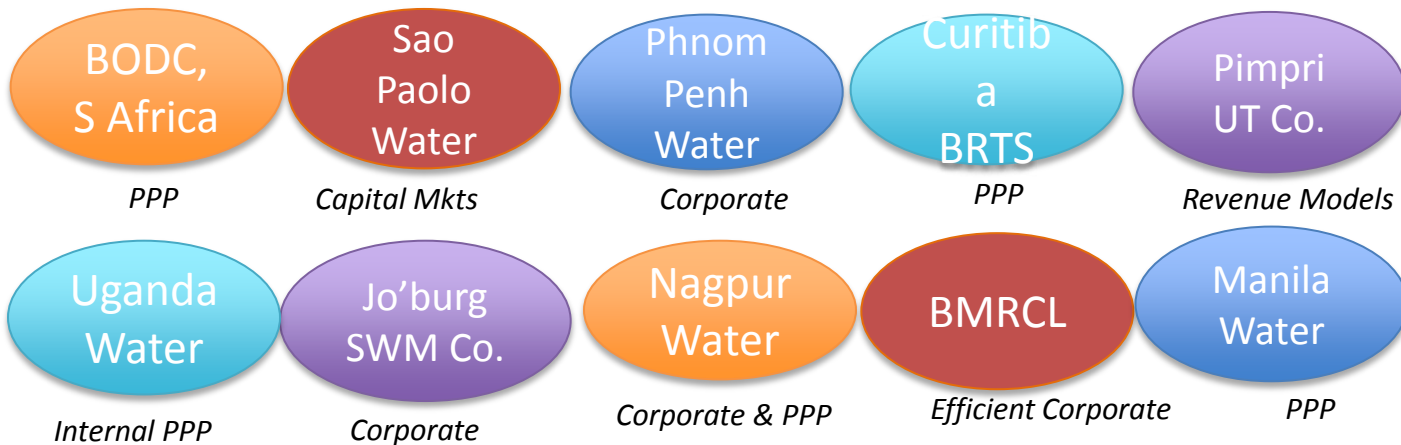
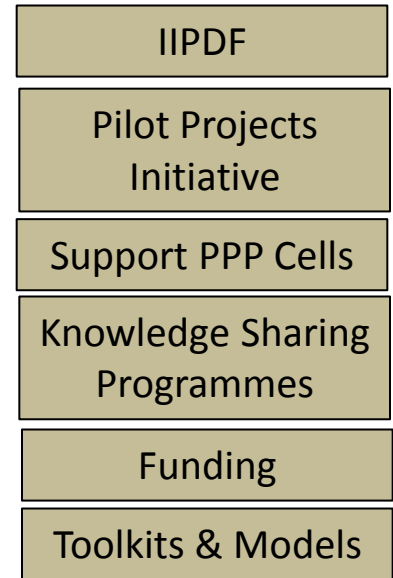
- Revenues and Alternative revenue mechanisms
- Funding models – e.g. Pimpri

Develop
Institutions

- Regulation vs Operations
- Corporatisation

Tools

- PPP Cell, Department of Economic Affairs, Ministry of Finance
- Other Multilateral Agencies (through DEA)
 - World Bank
 - ADB
 - KFW
- Knowledge Sharing from models being undertaken in India and Abroad



Already Assisting in development of PPP Cells, Pilot Projects, Sector Models, Toolkits, Concession Frameworks, Bid Processes

Takeaways

Corporatisation

Twin for Knowledge

Municipal Level
Access to Capital
Markets

Credit Rating

Telescopic Tariff
Structures

Funds – Not Grant but
Leveraged Funds

Alternative
Revenue Funds

Contract Management
Units

Infrastructure
Funds Linked to
Bankability
Reforms

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