This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

Photo Credit

Image not found or type unknown
network

Establishment of High Capacity Wireless Infrastructure, Pimpri-Chinchwad, Maharashtra, India

Download Chatbot

On this page: *A case study on Establishment of High Capacity Wireless Infrastructure, Pimpri-Chinchwad, Maharashtra, India. Find more at the Municipal Public-Private Partnership Framework - Project Summaries section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the Guidelines on Innovative Revenues for Infrastructure section.*

Project Summary:

Background

Pimpri-Chinchwad is the industrial hub of the Indian state of Maharashtra, with a population that has grown at a rate of 100 percent over each of the last two decades. The Pimpri-Chinchwad Municipal Corporation (PCMC) wanted to create better wireless infrastructure for the city and for its public entities and was also looking to manage that infrastructure on a revenue-sharing basis. Thus, and with the objective of e-transforming its operations with high capacity wireless infrastructure, the City decided to pursue a PPP. Through the PPP, PCMC hoped to identify a private partner that would finance the entire cost of the e-infrastructure and bandwidth expansion for the municipality, in addition to providing management, human resources, e maintenance, and revenue collection services. PCMC sought to be provided with the infrastructure needed to operate daily and extend online services to its citizens, such as e-governance, e-education, and e-health.

Project Structure

Following an open, competitive tender initiated in December 2007 by PCMC, the bid offers were evaluated by an independent party. PCMC awarded a 10-year concession to IL&FS, along with its joint venture partners Software Technology parks of India, Fujitsu India Ltd, and Lifestyle Networks Ltd., to design, finance, install, manage, and maintain ISP services for PCMC offices, businesses and citizens in the PCMC area; wireless infrastructure; extending services to citizens including internet and value added services such as e-governance over the proposed infrastructure; and commercial transactions with revenue sharing with PCMC. The municipality would provide the land needed for setting up the infrastructure, on a rental basis.

During the contract period, the annual amount to be paid to PCMC by the joint venture was fixed at 2.5 percent of the first INR 25 crore (USD 3.5 million) of revenue, plus 4 percent of any additional revenue above that amount. In addition, the contract provided an alternative, minimum revenue share to be paid to

PCMC, which increases annually. For example, the required minimum payment in year three is INR 6,400,000 (around USD 90,000). By year ten, this amount increases to INR 21,400,000 (USD 300,700). The estimated project cost is INR 428,400,000 (USD 6.02 million).[1]

Footnote 1: Source(s): http:// smartcities.gov.in/ upload/uploadfiles/ files/Compendium_of_ PPP_CasesMoUDs.pdf accessed 24 January 2019

Related Content

- **Selected World Bank Tools**

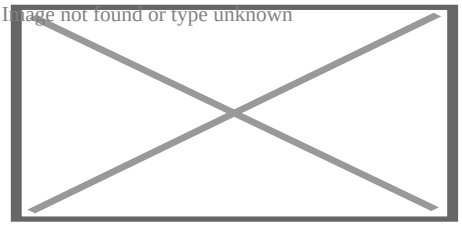
Additional Resources

- Climate-Smart PPPs
- Finance Structures for PPP

Partner Resources

Find more @ Global Platform for Sustainable Cities

Image not found or type unknown



The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

Image not found or type unknown

