Jaipur Municipal Corporation (JMC) operates and maintains over 100,000 public street lights within the city. However, the public lights system was facing problems owing to old, energy-intensive technology and a lack of capacity to operate such a large network. This resulted in low lighting levels in several parts of the city and about one in three lamps not functioning at all. This was causing serious problems for city traffic and had become a security issue for residents. In spite of the low quality services, JMC was spending a significant amount each year on electricity bills for the public lights system. JMC was keen to procure an energy efficient system, but lacked the necessary knowledge and management capabilities. Under the umbrella of a Knowledge Partnership between the Government of Rajasthan and IFC, JMC engaged IFC as the transaction advisor to structure a PPP for financing, upgrading, operating and maintaining the public lights system in Jaipur.

As a result, a consortium led by a large Indian energy services company and manufacturer of LED lights won the bid for a 10-year energy performance contract. The agreement was signed in December 2014. The winning proposal included a commitment to invest approximately US $12 million for retrofitting at least 70,000 street-lamps with energy efficient LED lamps. Once completed, the project is expected to benefit 1.65 million people with improved street lighting and a reduction of GHG emissions by 36,750 metric tons/year. It will also result in $1 million per year in fiscal savings accrued to the Government due to reduced energy consumption.

This series provides an overview of public-private partnership stories in various infrastructure sectors, where IFC was the lead advisor.

IFC Advisory Services in Public-Private Partnerships
2121 Pennsylvania Ave. NW
Washington D.C. 20433
ifc.org/ppp

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EXPECTED POST-TENDER RESULTS

- Fiscal savings of $1 million per year.
- At least $12 million in private investments.
- Improved streetlight services to over 1,650,000 people daily.
- Reduction in Green House Gas emissions by 36,750 metric tons per year.
- Will enhance safety and security of Jaipur city.