

**Information about the Work Package of the Partners of the SHAKTI Project**  
Project Phase 1 - from 2005 to 2008

<b>Work Package No 6</b>	<b>Models for PPP's and SMEs</b>
<b>Participants:</b>	DFIU
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Identification of the legal, organisational and economic framework for PPPs in India and the situation for SMEs in relation to infrastructure projects</li> <li>• Concepts for PPPs and integration of SMEs; partnering in India and Germany</li> </ul>
<b>Main Interactions</b>	WP1, WP2, WP3, WP4, WP8
<b>Description of Work:</b>	
<p>In India <b>small and medium enterprises (SMEs)</b> play an important role not only in economic but also in social and ecological terms. Their integration into the envisaged urban infrastructure projects is favourable for different reasons. Local SMEs will benefit from know-how transfer, related capacity building and networking with German companies. The submitted projects will take advantage from e.g. on site know-how, public acceptance, and a continuation after the end of the BMBF programme. Adapted concepts for the integration of local but also German SMEs into the projects and for capacity building are therefore to be developed.</p> <p><b>Public Private Partnerships (PPPs)</b> stand for many different innovative organisation and financing forms that have a cooperation between the public and the private sector in common to provide a service that was traditionally provided by the public sector only. PPPs aim at profiting from an optimum allocation of duties and responsibilities according to the core competences and potentials of the public and private sector. PPPs can refer to e.g. the design, financing, building, operation and/or deconstruction phase of a project. The envisaged improvements in urban technical infrastructure cannot be financed, designed, built and operated by the public sector alone due to a lack of financial resources and know-how. The manifold possibilities of organisation forms offered via PPPs will allow for an optimum integration of both local Indian and German SMEs as well as of interested citizens. Especially for smaller, decentralized projects like energy production using renewables PPPs will be an interesting option.</p> <p>In general, the development of a PPP model includes the following parts: i) clear definition of the project and its objectives (including duties and responsibilities), ii) its techno-economic characterisation (e.g. fix and variable costs, lifetime), iii) risk assessment, iv) partnering, v) selection and elaboration of a suitable PPP concept and contract (including allocation of risks and profits).</p> <p>The two-years pre-phase of the project will serve to establish – together with Indian partners and decision-makers – concepts for models of PPPs and integration of SMEs. The models depend on and will be adapted to the specific local conditions and to the projects to be realised with the following milestones (three workshops during the pre-phase):</p>	
<b>Task 6.1: Today's situation</b>	
Identification of the legal, organisational and economic framework for PPPs in infrastructure projects in Hyderabad; collection of valuable information on examples for PPPs; analysis of the situation of SMEs in Hyderabad.	
<b>Task 6.2: Basic Concepts</b>	
Development of base concepts for PPPs in accordance with the three dimensions of sustainability; development of options for integration of SMEs; first steps towards partnering in Germany.	
<b>Task 6.3: Concepts for Implementation</b>	
Setting-up of a more detailed concept for PPPs adapted to the envisaged projects as well as of a concept for the integration of SMEs; partnering in India and Germany	
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>• Analyses of situation</li> <li>• General concepts for PPPs and options for integration of SMEs</li> <li>• Concept for PPPs adapted to the envisaged projects as well as of a concept for the integration of SMEs; partnering in India and Germany</li> </ul>