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Laws and Regulations Supporting Pro-Poor Services Delivery

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The regulations below provide examples of how laws and regulations can support delivery of services to the poor, such as using project profitability to cover subsidies for poor; infrastructure development for marginal areas; etc:

Examples of Pro-Poor Policies in PPP Legislation

Cambodia

[Reference: Rural Electrification Fund \(REF\), Cambodia](#)

This is the 2005 Cambodian law that establishes a Rural Electrification Fund to provide grants to lower the capital costs of projects designed to provide electricity services to previously unserved rural households and businesses. It describes the governance structure, functions and internal procedures of the fund. Similar funds or rural electrification agencies have now been established in more than 10 African countries. Statute of the [Rural Electrification Fund of the Kingdom of Cambodia](#) (In Khmer) (November, 2005, PDF, 7 pages)

Ecuador

[Reference: Organic Law on Incentives for Public-Private Partnerships and Foreign Investment - Ley Orgánica de Incentivos para Asociaciones Publico-Privadas y la Inversion Extranjera \(In Spanish\)](#)

Article 2 establishes that PPP projects cannot exclude geographic areas or social groups that need the work or service; and that projects' profitability must be calculated with possible subsidies that guarantee the service/work coverage to the vulnerable population.

Guatemala

[Reference: Law of Partnerships for the Development of Economic Infrastructure -Ley de Alianzas para el Desarrollo de Infraestructura Económica- Decree 16/2010 \(In Spanish\)](#)

Article 2 of this PPP law states that infrastructure creation, construction and development shall also benefit, without exclusivity, regions with lower development in the country.

[Reference: Regulation of Partnerships for the Development of Economic Infrastructure \(Reglamento de las Alianzas para el Desarrollo de Infraestructura Económica\) Governmental Accord 360-2011 \(In Spanish\)](#)

This Regulation regulates the Law of Partnerships for the Development of Economic Infrastructure.

Article 4 recognizes the existence of regions with higher proportions of poverty; and Article 74 indicates that private equity funding (Fondo de Capital Privativo) will be targeted towards regions with low development.

Namibia

[Reference: Namibia Public Private Partnership \(PPP\) Policy](#)

This document sets out the national guidelines for PPP project development in the country. Section 11 discusses the pro-poor approach in the design of PPP projects. An objective of this PPP policy is to ensure that the poor benefit from these projects through different means such as output-based aid contracts; subsidies; low-cost mechanisms and other alternate mechanisms.

Panama

[Reference: Regulatory and Institutional Framework for the Provision of the Public Electricity Service \(Marco Regulatorio e Institucional para la Prestación del Servicio Público de Electricidad\) - Law 6 of 1997 \(In Spanish\)](#)

This regulatory framework on energy service delivery grants direct subsidies to people with low income (Article 5).

Paraguay

[Reference: Decree No. 1.305 regulating the Law No. 5.102 Promotion of Investment in Public Infrastructure and Expansion and Improvement of Goods and Services by State](#)

This regulation provides that pre-feasibility studies of PPP projects must contain the project's impact on the population and their possible participation in the project (Article 32).

Tanzania

[Reference: National Public Private Partnership Policy](#)

This PPP Policy includes a clause on PPP coverage in Marginal Areas (Clause 3.11) as follows:

“PPPs coverage in Marginal Areas.- PPP interventions in both geographical and economical marginal areas pose a challenge. Due to locational factors, some regions are not commercially viable; and still other areas are not viable on economic grounds such as lower concentration of economic activities and lower incomes. PPPs may not be feasible in these areas mainly due to unique risks involved. In these special circumstances, the private sector is not attracted due to unfavorable business and investment environment.”

But it immediately establishes as a Policy Objective:

“Extend special consideration to geographical and economic disadvantaged regions in promotion of PPPs. (...) The Government in collaboration with Stakeholders will: To the extent possible, put in place an enabling environment to attract PPPs in marginal areas.”

Reference: Public-Private Partnership Act 2010

The PPP Act in Tanzania indicates that the Minister can issue regulations regarding the coverage area of PPP projects to marginal areas (Article 27(1)(2)(c)).

Reference: Tanzania, Rural Energy Act

Tanzania's Rural Energy Act is similar to the Cambodian law, but much more detailed. It establishes a Rural Electrification Board, Agency and Fund and describes in considerable detail the functions and relationships of these different entities. The Tanzanian law also provides more detail on sources of financing for the fund. In 2010, the World Bank initiated efforts to provide a line of credit that would provide easier access to longer term and lower cost loans to supplement the grants provided by the Rural Electrification Fund.

The performance of the African rural electrification funds and agencies has been evaluated in a study by the International Energy Agency in 2010, and presented in [Comparative Study on Rural Electrification Policies in Emerging Economies](#).

Uganda

Reference: Urban Water Supply Department

In this document, the Ministry of Water and Environment establishes a Regulation Unit within the Directorate of Water Development and indicates as one of its functions the promotion of pro-poor service delivery.

Reference: Pro- Poor Strategy for the Water and Sanitation Sector

This document summarizes pro-poor strategies and presents both general and specific strategies covering the following areas:

1. Rural water supply and sanitation;
2. Small towns water supply and sanitation;
3. Large towns water supply and sanitation;
4. Water for production and water resources management.

Reference: The Renewable Energy Policy for Uganda

In general, this policy seeks to diversify the energy supply sources and technologies in the country.

One of the key policy principles (Clause 3.3(8)) is Stakeholder Participation and the Poor which encourages the participation of communities in renewable energy projects and indicates that these should take into account the needs of the poor. Furthermore, as a policy objective, the document seeks to mainstream gender and poverty issues in renewable energy development strategies to improve the socio-economic wellbeing of women and the poor in general.

It is important also to note that the policy establishes the Rural and Urban-Poor electrification Access Programme (Clause 4.2) that seek to improve already existing procedures within the regions where the cost of connection needs to be subsidized, and acknowledges that bringing electricity to rural and urban-poor population requires special packages to make connection and services affordable. However, an express mandate of the policy is that future projects should be extended to the urban poor –listing actions that the Government has to implement so that all poor people (including the ones in rural areas) are engaged in productive activities and may receive social services.

Venezuela

[Reference: Organic Law of Telecommunications – Ley Orgánica de Telecomunicaciones](#)

This law regulates the general legal framework of telecommunications. On Article 49, the law indicates that the government will guarantee provision of universal telecommunication services, indicating that this is a set of services that providers have to provide complying certain minimum standards of quality independently of the geographic location. The universal service aims to close the inequalities of service access in the population.

Similarly, Article 50 indicates that the National Telecommunication Commission must give priority to users with special social needs and grant access to fixed telephone services available to the general public (Article 50(5)).

For more information on [Pro-Poor PPPs](#), visit [Laws and Regulations Supporting Pro-Poor Services Delivery](#), [Contractual Examples Supporting Pro-Poor Services Delivery](#), [Other Mechanisms Supporting Pro-Poor Services Delivery](#) or the section on [Case Studies](#) and [Further Reading](#) for additional resources.

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