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PPP Legal Framework

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The PPP legal framework refers to all laws and regulations that govern the PPP project cycle. Governments embarking on PPPs may need to adapt the existing legal framework to ensure—at minimum—that contracts for the delivery of public services by a private entity can be entered into. In some cases, changes may be necessary to introduce PPP-specific processes and responsibilities. Some governments do so by adapting existing laws; others introduce specific legislation.

The legal framework for PPP depends on the legal tradition in the country—common law and civil law are the two main types. In **civil law systems**, the operations of government are codified through administrative law. This code, combined with other legislation, such as the civil code and the commercial and public contract codes, establishes legal rights and processes that apply to PPP contracts. **Common law systems** are less prescriptive, with fewer provisions governing contracts in general. As a result, contracts in common law countries tend to be longer than in civil law countries; the terms governing the relationship between the parties tend to be specified in greater detail to avoid ambiguities that may not be easily resolved by reference to specific jurisprudence.

This section briefly describes and provides examples of PPP legal frameworks: [Scope of the PPP Legal Framework](#) describes the broad scope of legislation that may affect PPPs and [PPP Laws](#) focuses on PPP-specific legislation. The following resources provide overview guidance on assessing and developing the legal and regulatory framework for PPPs:

- **Jeff Delmon and Victoria Delmon's Legal Guide** ([Delmon and Delmon 2012](#)) reviews key legal issues in 17 countries.

- The **World Bank's PPP Resource Center (PPPRC)** presents the key features of common and civil law systems and their impacts on PPP arrangements. It has useful **online tools** for assessing the legal environment for PPPs in various countries ([PPPRC](#), *Legislative Frameworks*).
 - Annex 2 of the **EPEC Guide to Guidance** ([EPEC 2011b](#)) has an overview of legal and regulatory requirements for PPPs in countries with different legal traditions.
 - The **World Bank Benchmarking PPP Procurement 2017** ([WB 2016b](#)) presents the procurement framework in 82 economies and evaluates them against internationally recognized good practices.
 - **Farquharson et al** ([Farquharson et al. 2011](#), 16–21) sets out key questions that investors and lenders are likely to ask about the legal and regulatory framework, and some principles on developing effective frameworks.
 - The **PPIAF's online PPP Toolkit for Roads and Highways** ([WB 2009a](#), Module 4) includes a section on legislative framework that describes the types of enabling law for PPPs. It includes other laws that typically impact PPP projects in highway infrastructure.
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Visit the [PPP Online Reference Guide](#) section to find out more.

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