

# What is a PPP: Defining "Public-Private Partnership"

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The introduction to this *Reference Guide* provided a broad definition of a PPP:

*A long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility and remuneration is linked to performance.*

This section fleshes out this definition with more detail, describing PPP contract types ([PPP Contract Types and Terminology](#)), the terminology used to describe them; and clarifying related types of partnership between public and private sector parties to which the definition and guidance material in this *Reference Guide* would generally *not* apply ([What PPP is Not: Other Types of Private Involvement](#)).

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## Key References

### What is a PPP?

- [Delmon, Jeffrey. 2010. "Understanding Options for Private-Partnership Partnerships in Infrastructure: Sorting out the forest from the trees: BOT, DBFO, DCMS, Concession, Lease...." Policy Research Working Paper 5173. Washington, DC: World Bank.](#) - Describes in detail the different PPP contract types and nomenclature, and which also introduces a new classification of PPP contracts intended to clarify and facilitate comparison.
- [Yescombe, E.R. 2007. \*Public-Private Partnerships: Principles of Policy and Finance\*. Oxford: Butterworth-Heinemann.](#) Chapter 1: "What are Public-Private Partnerships" describes the range of PPP structures and how these are classified.
- [Farlam, Peter. 2005. \*Working Together: Assessing public-private partnerships in Africa\*. NEPAD Policy Focus Series. Johannesburg: South African Institute of International Affairs.](#) Reviews PPP experience in Africa, with detailed case studies of eight projects in the transport, prisons, telecommunications, water, power, and tourism sectors.
- [Groom, Eric, Jonathan Halpern, and David Ehrhardt. 2006. "Explanatory Notes on Key Topics in the Regulation of Water and Sanitation Services." Water Supply and Sanitation Sector Board Discussion Paper 6. Washington, DC: World Bank.](#) Note 4: "Regulation and Private Sector Contracts" describes typical features of concession, lease, and management contracts in the water sector.
- [Yong, H.K., ed. 2010. \*Public-Private Partnerships Policy and Practice: A Reference Guide\*. London: Commonwealth Secretariat.](#) Section 7 reviews PPP experience in Commonwealth developing countries. Annex 5 presents case studies of 11 PPP projects, in the water, transport, power, and health sectors in Africa, Asia and the Caribbean.
- [Dobbs, Richard, Herbert Pohl, Diaan-Yi Lin, Jan Mischke, Nicklas Garem, Jimmy Hexter, Stefan Matzinger, Robert Palter, and Rushad Nanavatty. 2013. \*Infrastructure productivity: How to save \\$1 trillion a year\*. New York: McKinsey Global Institute.](#) Describes the deficit in infrastructure investments, and makes the case for improved project selection/management as well as more efficient

usage of existing infrastructure.

- [Woetzel, Jonathan, Nicklas Garemo, Jan Mischke, Martin Hjerpe, and Robert Palter. 2016. \*Bridging Global Infrastructure Gaps\*. New York: McKinsey Global Institute.](#) Describes state of global infrastructure needs and opportunities to mitigate the spending deficit.
- [Farquharson, Edward, Clemencia Torres de Mästle, E. R. Yescombe, and Javier Encinas. 2011. \*How to Engage with the Private Sector in Public-Private Partnerships in Emerging Markets\*. Washington, DC: World Bank.](#) Chapter 2: “Defining Public-Private Partnerships” focuses on how PPPs differ from privatization and management contracts; and describes user-fee and availability-based PPPs. Several case studies throughout the book provide examples of PPPs in developing countries.
- [Mumssen, Yogita, Lars Johannes, and Geeta Kumar. 2010. \*Output-Based Aid: Lessons Learned and Best Practices\*. Directions in Development Finance. Washington, DC: World Bank.](#) Reviews experience with private participation in infrastructure projects supported by output-based aid, in the communications, roads, energy, water, health, and education sectors.
- [DLA Piper. 2009. \*European PPP Report 2009\*. London: DLA Piper.](#) Provides an overview of the status and direction of PPP in Europe, detailed reviews by country, and a list of projects in the pipeline and implementation in the report year.
- [US. 2007. \*Case Studies of Transportation Public-Private Partnerships Around the World\*. Washington, DC: United States Government, Department of Transportation, Federal Highway Administration.](#) Reviews international PPP experience with PPPs in transport, including case studies on bridges and highways from the United Kingdom, Europe, Australia, China, India, Israel, and Argentina.
- [Menzies, Iain, and Clelan Mandri-Perrott. 2010. "Private Sector Participation in Urban Rail: Getting the structure right." Gridlines Note No. 54. Washington, DC: Public-Private Infrastructure Advisory Facility.](#) Annex 1 provides case studies of light rail PPP projects from the United Kingdom, Malaysia, the Philippines, Thailand, Canada, and South Africa.
- [Marin, Philippe. 2009. \*Public-Private Partnerships for Urban Water Utilities: A Review of Experience in Developing Countries\*. Trends and Policy Options No. 8. Washington, DC: World Bank](#) Reviews the experience of 65 PPPs in the water sector in developing countries, finding consistent improvements in efficiency and service quality.
- [Eberhard, Anton, and Katharine Nawal Gratwick. 2010. \*IPPs in Sub-Saharan Africa: Determinants of Success\*. Washington, DC: World Bank.](#) Reviews experiences of Independent Power Producers (IPP) in Sub-Saharan Africa, including a comprehensive list and details of all IPP projects in the region.
- [Deloitte. 2006. \*Closing the Infrastructure Gap: The Role of Public-Private Partnerships\*. New York: Deloitte.](#) Page 5 provides a succinct description of different PPP contract types. The report also briefly reviews international PPP experience in transport, water and waste, education, housing, hospitals, defense, and prisons.
- [IFC. 2011. "Health and PPPs." \*Handshake, A Journal on Public-Private Partnerships\*. Washington, DC: International Finance Corporation.](#) The issue on Healthcare examines international experience in healthcare PPPs, particularly in developing countries, and draws lessons for how successes can be replicated. Features the Lesotho Hospital PPP, and reviews experience in Ghana, India, and Mexico.
- [LaRoque, Norman. 2005. "Contracting for the Delivery of Education Services: A Typology and International Examples." Paper presented at the PEPG and World Bank Conference, "Mobilizing the Private Sector for Public Education." Cambridge, MA, October 5-6.](#) Describes the different ways in which the private sector is engaged in education, including through PPPs. Pages 20–24 focus on international PPP experience in schools.
- [Yescombe, E.R. 2017. \*PPPs in Sub-Saharan Africa: Case Studies for Policymakers\*. Dar es Salaam, Tanzania: Uongozi Institute.](#) Presents ten case project studies examining the practical policy issues and lessons from each case.
- [Caribbean. 2017. \*Caribbean PPP Toolkit\*. Washington, DC: World Bank, Inter-American Development Bank and Caribbean Development Bank.](#) Each module presents several project examples and case studies illustrating best practices in the PPP project cycle.
- [APMG. 2016. Accessed March 19, 2017. \*PPP Certification Program Guide\*. In eight chapters. APMG-International](#) Chapter 1 Section 2 of the PPP Certification Guide discusses the definition of PPPs and the variety in interpretation that exists.

- [Reyes-Tagle, Gerardo, and Karl Garbacik. 2016. \*Policymakers' Decisions on Public-Private Partnership Use: The Role of Institutions and Fiscal Constraints\*. Washington, DC: Inter-American Development Bank.](#) Evaluates the criteria that governments utilize when deciding to procure a project using a PPP.

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[Contract](#) no icon found or type unknown

[PPP Contract Types and Terminology](#)

[Map](#) no icon found or type unknown

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