



**WORLD BANK GROUP**

# **PPP Contractual Provisions – Getting to Common Standards**

**GIF Advisory Council Meeting,  
Breakout Session**

**Washington, DC – April 20, 2017**

**Public-Private Partnerships Group  
The World Bank Group**

# Background of WBG Initiative

- Considerable time and expense in preparing and finalizing PPP agreements has led many to ask whether standardized contractual provisions may be developed to reduce costs and accelerate these processes
- While recognizing that it is not possible to have universally-accepted language for every provision in a PPP agreement, the World Bank Group (WBG) believes that there is value in fostering greater understanding of certain important provisions found in virtually every PPP agreement

# Background of WBG Initiative (continued)

- Against this backdrop, a first edition of the WBG Report on Recommended PPP Contractual Provisions was published in August 2015 and soon after endorsed by the G20 Investment and Infrastructure Working Group
- Following industry feedback on the Report's 2015 version, a new edition (with the help of the international law firm of Allen & Overy LLP) has now been developed and is expected to be published in June 2017

# Objectives of the Report

- Assisting contracting authorities in particularly emerging PPP markets in obtaining a better and comprehensive understanding of a selection of main contractual provisions usually encountered in every PPP agreement
- Fostering discussion of the contractual provisions contained in the Report with a view of further editions possibly to be developed as consensus evolves around contractual language typically used in PPP transactions

# Overview of the Report's Contents

- Eight contractual provisions included in virtually every PPP agreement
- Commentary and alternative sample drafting in regard to different levels of PPP transactional experience and different types of legal systems
- Commentary as to which alternatives reflect a relatively lender-friendly or government-friendly approach
- Extension of Report currently being undertaken by the GIF and Allen & Overy LLP: two additional chapters on how the Report's sample drafting (and commentary) relates to bond financing and corporate financing

# Consultation and dissemination

- Stakeholder consultations during the drafting stage of the Report's new edition (March-August 2016) and a WBG internal vetting process (September-October 2016)
- Public consultations held from November 2016 to February 2017: update of the Report in accordance with the feedback received is almost finalized
- Further dissemination and socialization events planned following the Report's publication to encourage its effective use in the context of actual projects in emerging markets



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