

ANALYSIS OF THE PERCEPTION OF LEGAL AND  
INSTITUTIONAL FRAMEWORK RELATING TO PUBLIC  
PRIVATE PARTNERSHIPS

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Degree of Master of Science in Construction Law and Dispute  
Resolution

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## **Abstract**

The research on “Analysis of the Perception of Legal and Institutional Framework Relating to Public Private Partnerships” is undertaken to form an opinion of the aforementioned framework from the viewpoint of Contracting Authorities and the private sector. Public Private Partnerships (PPP) is the way forward for countries like Sri Lanka, in developing infrastructure. The PPP model enables Governments to be pro-active and envisage development, without being constrained by limitations in national budgets. Also the ability to allow advanced technologies in infrastructure development to be brought in by private investors under the PPP model greatly enhances the capability of developing countries to move up the development ladder. Sri Lanka has been implementing PPP projects for more than 2 decades, however, the consistency and continuity of implementation is not observed compared to neighboring and countries with similar economies. The flipside of such inconsistency is the lack of economic benefits to the country and slower economic growth rates. Accordingly, it is crucial that the current PPP framework is analyzed from the perspective of both the public and private stakeholders involved and understand its’ strengths and weaknesses, while also seeking avenues to improve and develop the framework to be more hospitable for PPP project implementation. Key areas identified as issues and challenges in the current framework are disconnect between the existing legal framework and the project document preparation, lack of policy on prioritization, optimization and economic benefits, lack of coordination between stakeholder government institutions and identifying the current PPP framework only as a guideline. Through the comparisons with successful frameworks and suggestions by experts the key improvements would be establishing an independent centralized committee with a mandate to prioritize, coordinate and implement PPP, introduction of PPP policy and a dedicated legislature with standardized documents, and improved accountability of document preparation and review committees.

**Keywords:** Public Private Partnerships, Perception, Legal and Institutional Framework, Challenges and Improvements

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## LIST OF ABBREVIATIONS

PPP	– Public Private Partnership
FCSL	– Finance Commission of Sri Lanka
PUCSL	– Public Utilities Commission of Sri Lanka
LTGEP	– Long Term Generation Expansion Plan
LNG	– Liquid Natural Gas
BOT	– Build Operate Transfer
BOO	– Build Own Operate
BOOT	– Build Own Operate Transfer
DBFO	– Design Build Finance Operate