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Risk Allocation & Management

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A clear and stable legal environment is essential for the success of Public-Private Partnership (PPP) projects. It reduces the perception of risk, attracts greater competition, enables broader access to financing, and ultimately helps lower project costs. The legal framework provides the foundation for the institutional, regulatory, commercial, and financial environment in which PPPs operate, ensuring clarity, consistency, transparency, and certainty for all stakeholders.

A successful PPP project depends on workable, commercially viable, and cost-effective risk-sharing arrangements. Given the differing interests and objectives of the parties involved, effective risk allocation is not only a central element in drafting project documents, but also a critical factor in the overall success of the project.

In this section of the PPPRC, you will find practical resources to support effective risk allocation. These include risk matrices, risk allocation tool, the World Bank Group's guarantee products, and insurance checklists. Together, these tools help ensure that risk is appropriately shared and managed, leading to more successful, sustainable, and profitable projects that benefit all parties involved.

Related Content

- [Risk Mitigation](#)
- [Allocating Risks](#)

- [Structuring PPP Projects](#)

Additional Resources

- [Political Risk Insurance](#)
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