

# [Penalties for Non-delivery in Asset Recycling](#)

## Full Description

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In addition to the payment mechanism employed in the project contract when the private sector is fully performing its obligations, the contract will also stipulate financial penalties and consequences for non-delivery of contractual services or standards. Such penalties are intended to incentivise the private sector to deliver outputs or services according to contractual standards. However, usually prior to activating such penalties, the Contract Management team would identify the lapses or shortfalls in service delivery, inform the private sector of the same and provide a certain rectification period within which the private party is expected to address these deficiencies.

## Useful Links

[Service Delivery in Fragile Situations](#)

## Related Content

[Guidelines for Implementing Asset Recycling Transactions \(Download PDF version\) - Now Available!](#)

## Additional Resources

[PPP Reference Guide](#)

[Legislation and Laws - General and Sector Specific](#)

[PPPs by Topic](#)

[Page Specific Disclaimer](#)

*The Guidelines have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions To find more, visit the Guidelines to Implementing Asset Recycling Transactions [Section Overview](#) and [Content Outline](#), or [Download the Full Report](#).*

