Abstract

Public-Private Partnerships, if applied well, can help overcome inadequate infrastructure that constrains economic growth particularly in developing countries. Infrastructure investments are recognized to speed up much-needed growth in developing nations and reduce income disparities. PPPs can help overcome some of these challenges by way of mobilizing private sources, supporting the improvement of project selection, on-time, and on-budget implementation, and ensuring adequate maintenance. It is very important for public and private sector partners to completely understand different types of risks which are associated with Public-Private Partnership projects throughout the entire life cycle of the projects. Public and Private sectors should also be fully aware of the significance of these risk factors, how to manage and allocate them in a bid to ensure success and sustainability of partnerships. Appropriate risk assessment, management, and allocation between the public and private sectors are very important in enhancing Public- Private Partnership projects. Inappropriate risk allocation can ruin the value for money in Public-Private Partnership projects. This article gives insights on importance of effective and efficient risk allocation framework in PPPs.