

# PPP Capacity Building Training Lao PDR



26<sup>th</sup> -27<sup>th</sup> August  
Landmark Hotel, Vientiane

August 2015



NO CHANGE WITHOUT A

**A3BEL**

	<b>THURSDAY</b>
8:00 – 8:30	Registration
8:30 – 10:00	Session 3b Risk Allocation
10:00 – 10:30	COFFEE BREAK
10:30 – 12:00	Session 4: Project Structuring
12:00 – 1:00	LUNCH
1:00 – 2:30	Session 5: Procurement Planning
2:30 – 3:00	COFFEE BREAK
3:00 – 4:30	Project Case Presentations and Discussion
4:30 – 5:00	Lessons Learnt
	Closing



# Session 3b: Risk Identification and Allocation

# PPP Risks



- Chance of something happening that affects a PPP project (usually negatively)
- Consequences and costs if it happens
- Who is directly affected and incurs those costs?
- How do they respond knowing that it is their risk?



## Risk as a PPP value driver

- Risk allocation is closely linked to performance
- Partners behave to manage or avoid incurring risks they are responsible for
- If payments / profitability of a private party is exposed to a particular risk, they will manage that risks to avoid incurring it
- Hence how risks are allocated is closely linked to how PPP partners perform



# Key risk allocation issues



- In a PPP, (most) risks are identified and allocated to a partner in the PPP contract
  - i.e. the contract will have clauses saying, “...if xyz happens, then the private partner will be responsible for the costs”, or
  - “... if abc happens, then the public sector will compensate the private partner”, etc.
- Each risk should be allocated to the partner who is best able to control or manage that risk
  - Public example – policy change risk is best managed by the public partner
  - Private example – design or construction risk is best managed by the private partner
  - Shared example – force majeure (flood, earthquake) is often shared
- Risk is allocated to a private partner at cost
  - Cost of transferring too much risk
  - Cost of transferring wrong risk



# Types of PPP Risks



Risk	Description
<b>Planning stage</b>	Planning approvals Environmental certificate Land availability Etc.
<b>Construction stage</b>	Construction delays Cost overruns Etc.
<b>Operation stage</b>	Design fault Maintenance costs risk Operation costs risk Demand risk Etc.





# Types of PPP Risks cont...

<b>Financing</b>	Interest rate risk Currency risk Inflation risk Tariff setting risk Etc.
<b>Others</b>	Policy risk Regulatory risk Interface risk Contract risk

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_4146](https://www.yunbaogao.cn/report/index/report?reportId=5_4146)

