




Risk Management in Partnership Contracts

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This study aimed to explore and conceptualize the key dimensions and mechanisms of risk management in partnership contracts by analyzing the practical experiences of legal experts and practitioners in Tehran. A qualitative exploratory-analytical design was employed. Data were collected through semi-structured interviews with 15 legal specialists, including experienced attorneys, corporate legal advisors, and academic experts in private and commercial law. Participants were selected using purposive sampling based on at least five years of professional experience in drafting, supervising, or arbitrating partnership contracts. Interviews, each lasting 45–60 minutes, were conducted in person or online until theoretical saturation was achieved. All interviews were recorded with informed consent, transcribed verbatim, and analyzed using directed qualitative content analysis. Coding and theme development were facilitated by NVivo 14 software, and trustworthiness was ensured through peer debriefing, member checking, and applying the criteria of credibility, transferability, dependability, and confirmability. Four overarching themes emerged as central to effective risk management in partnership contracts: risk and responsibility allocation, emphasizing proactive financial risk assessment, insurance, and clear assignment of duties; clarity and precision in contractual terms, including standardized definitions, detailed annexes, performance metrics, and force majeure clauses; dispute resolution and enforcement mechanisms, featuring multi-tiered negotiation, mediation, arbitration frameworks, and technology-assisted monitoring; and contract flexibility and adaptability, incorporating price adjustment, renegotiation triggers, technological change management, and predefined exit strategies. These elements collectively enable better anticipation and mitigation of financial, legal, and operational uncertainties. By integrating proactive risk-sharing, precise drafting, adaptive governance, and modern dispute resolution frameworks, partnership contracts can become more resilient, reduce litigation, and foster sustainable collaboration in Iran's evolving legal and economic context.

Keywords: Partnership contracts; risk allocation; contractual governance; dispute resolution; contract adaptability

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1. Introduction

In the increasingly complex and dynamic economic environment of the twenty-first century, collaborative or partnership contracts have become indispensable instruments for structuring joint ventures

and managing shared resources across diverse industries. These contracts are designed to pool capital, expertise, and responsibilities, enabling parties to pursue common objectives while distributing both opportunities and uncertainties in a balanced way (Āryan, 2019). They are now widely used in areas such



as infrastructure development, urban regeneration, information technology, construction, and international trade, where no single entity can efficiently bear all the risks and operational demands of large-scale projects (Mousavi, 2020). At the same time, the increased reliance on partnership-based mechanisms has exposed several vulnerabilities, especially in contexts where legal frameworks are not fully matured or where contract design is insufficiently adapted to dynamic market and regulatory conditions (Ārā'i, 2020).

One of the defining characteristics of partnership contracts is their explicit or implicit mechanism for risk allocation among partners. Unlike conventional bilateral agreements, these contracts must anticipate multiple categories of risk: financial exposure, operational uncertainty, regulatory changes, and external shocks (Āryan, 2019). When poorly structured, they often lead to disputes, stalled projects, and resource loss. Scholars have shown that many of the legal controversies surrounding partnership agreements stem from an initial lack of clarity in delineating responsibilities and risk-sharing formulas (Ārā'i, 2020). This challenge is especially acute in Iran, where economic volatility, evolving regulatory systems, and the intersection of modern commercial practice with traditional civil law concepts create additional uncertainty (Nāseriān, 2025). The principle of balanced risk distribution is also deeply tied to economic performance. When risk is disproportionately assigned to one party, trust is undermined and the partnership's long-term sustainability is jeopardized (Bahrāmi, 2023). Conversely, a well-calibrated allocation fosters stable cooperation, secures investment, and reduces transaction costs, which in turn enhances macroeconomic productivity and competitiveness (Mahmoudi, 2021). In global contexts, this balanced approach aligns with public-private partnership (PPP) best practices, where contractual and relational governance mechanisms are combined to protect each stakeholder while sustaining project outcomes (Peng et al., 2023).

While partnership contracts theoretically allow flexibility and adaptation to market changes, their success in practice depends on robust legal infrastructure and effective drafting. Iranian legal scholars have underscored that ambiguities in contractual language—especially regarding termination

conditions, dispute resolution, and force majeure—are a major cause of failure (Saffā'i-Far, 2017). The absence of standardized definitions and clear allocation of roles leads to interpretive conflicts that can escalate into litigation, delay project completion, and erode trust among parties (Hosseini, 2022).

Additionally, the civil law system in Iran, shaped by Islamic jurisprudence and codified statutes, differs from the contractual practices of developed economies (Zāhedī, 2018). This divergence can complicate international partnerships and foreign investment, as multinational actors often expect governance structures closer to common law or globally standardized PPP frameworks (Peng et al., 2023). In many Western jurisdictions, risk analysis tools and sophisticated model contracts help address unforeseen events and define liability boundaries clearly. By contrast, Iranian contracts may rely heavily on general legal principles and discretionary interpretation, which increases unpredictability (Ārā'i, 2020).

Public sector-oriented partnership models, especially in urban infrastructure and municipal services, also reveal distinct complexities. For instance, partnership contracts used by municipalities must navigate both administrative law restrictions and market-driven considerations (Teimouri, 2024). These agreements often aim to deliver public goods such as transport systems, waste management, or urban redevelopment, yet the ambiguity about risk transfer and profit-sharing between public and private actors creates legal exposure for both sides. Recent studies suggest that standardizing contract frameworks and integrating international PPP practices could mitigate many of these vulnerabilities (Rahbar et al., 2021).

Beyond their legal intricacies, partnership contracts serve as vital drivers of macroeconomic stability and development. They enable capital mobilization for large-scale projects without overburdening any single entity and allow the integration of advanced technologies and foreign expertise into domestic markets (Bahrāmi, 2023). In Iran's emerging sectors, such as renewable energy, digital economy, and construction megaprojects, collaborative structures have been essential for coping with funding constraints, fluctuating exchange rates, and international sanctions (Mousavi, 2020). However, the rapid economic transformation and increased private-sector involvement in public functions require parallel

development in contract risk governance ([Mahmoudi, 2021](#)).

Global evidence reinforces this point. Studies on PPP projects show that contractual and relational governance—combining formal clauses with trust-based, long-term cooperation mechanisms—positively influences sustainable performance ([Peng et al., 2023](#)). In the Iranian setting, however, many contracts remain overly formalistic and reactive rather than proactive, which means that parties often address risk only after problems occur ([Āryan, 2019](#)). A forward-looking, risk-oriented drafting culture is needed, emphasizing scenario analysis, financial hedging, insurance instruments, and technology-based monitoring.

Another core dimension identified in both scholarship and practice is dispute resolution architecture. Many Iranian partnership contracts still rely on generic references to the jurisdiction of public courts, without providing staged alternative dispute resolution (ADR) pathways such as negotiation, mediation, and arbitration ([Saffā'i-Far, 2017](#)). This omission increases litigation risks and slows down project delivery. Recent comparative studies advocate for multi-tier dispute resolution clauses that first encourage amicable settlement and mediation, followed by institutional arbitration if necessary ([Ārā'i, 2020](#)). Such clauses can reduce uncertainty and strengthen investors' confidence, especially in international collaborations ([Zāhedī, 2018](#)).

The adoption of technology-enabled governance also appears promising. International PPP experience demonstrates how digital contract management systems and smart contracts can enhance transparency, track performance, and automate enforcement ([Peng et al., 2023](#)). In Iran, where infrastructure for digital monitoring is still developing, integrating such innovations would help align local practice with global standards and reduce opportunistic behavior.

Despite the growing body of work on partnership contracts in Iran, most prior research remains conceptual or limited to doctrinal legal analysis. While valuable, these approaches do not fully capture the lived experiences of practitioners and the subtle risk dynamics emerging during real contract implementation. Some studies have provided comparative insights ([Ārā'i, 2020](#); [Zāhedī, 2018](#)), and others have examined specific domains such as municipal projects ([Teimouri, 2024](#)) or

energy exports ([Rahbar et al., 2021](#)), yet a systematic, practice-based exploration of risk management strategies across different partnership settings is still lacking. Moreover, existing literature often treats risk as a purely financial or regulatory variable without integrating the relational and adaptive dimensions that modern project governance frameworks emphasize ([Peng et al., 2023](#)).

This study addresses these gaps by adopting a qualitative, practice-oriented perspective, gathering insights directly from legal professionals who structure and manage partnership contracts in Tehran. By focusing on their first-hand experiences with risk assessment, contract drafting, dispute prevention, and adaptation to change, the research moves beyond theoretical discussions and offers actionable knowledge for both local and international stakeholders. The analysis identifies core risk factors, effective contractual responses, and governance innovations that could guide policymakers, practitioners, and scholars in refining legal frameworks and contractual practice.

Strengthening risk management in partnership contracts is not only a private contractual concern but also a matter of public economic interest. Transparent and well-structured risk allocation fosters sustainable business relationships, attracts foreign investment, and supports economic resilience in volatile markets ([Bahrāmi, 2023](#)). Conversely, poorly managed risk leads to disputes, unfinished projects, and wasted resources, which ultimately undermine national development goals. Iranian legal doctrine has begun to address these issues by revisiting the nature of civil partnership contracts and questioning outdated legislative assumptions ([Nāseriān, 2025](#)). At the same time, comparative analysis shows that aligning local frameworks with international PPP standards, while respecting domestic legal traditions, could significantly enhance contract stability ([Peng et al., 2023](#); [Zāhedī, 2018](#)).

Additionally, the push toward digitalization and knowledge-based economies requires contracts to anticipate technological change and intellectual property issues ([Mousavi, 2020](#)). Incorporating dynamic risk-sharing, adaptive governance clauses, and dispute prevention mechanisms can make Iranian partnership contracts more competitive and secure in a global environment. As such, advancing the theory and practice

of risk management in these contracts holds both legal and economic significance.

Against this backdrop, the present study aims to explore and conceptualize the core dimensions of risk management in partnership contracts through the lived experiences of legal experts and practitioners in Tehran. By identifying practical strategies for risk allocation, contractual clarity, dispute resolution, and adaptability, the research seeks to contribute to the development of more effective legal and governance frameworks for partnership-based cooperation in Iran and beyond.

2. Methodology

This study employed a qualitative approach using an exploratory-analytical design. The aim was to identify the dimensions and mechanisms of risk management in partnership contracts from the perspective of experts and specialists in contract law. The target population comprised legal specialists; experienced attorneys engaged in drafting and interpreting partnership contracts; in-house legal counsel of large companies; and university faculty members focused on private and commercial law. Purposive sampling was applied based on professional criteria, including a minimum of five years of experience in drafting, supervising, or arbitrating partnership contracts and access to relevant legal case files. Sampling continued until theoretical saturation was reached, resulting in 15 qualified experts in Tehran being recruited as the final participants.

Data were collected through semi-structured interviews designed around an initial conceptual framework related to risk management in partnership contracts. The interview guide consisted of two parts: a general section (e.g., work history and area of legal practice) and a specialized section focused on participants' practical experience in identifying, assessing, and controlling legal risks in partnership contracts. Each interview was conducted in person or online, lasted approximately 45–60 minutes, was recorded with informed consent, and then fully transcribed. To ensure completeness and validity, brief on-the-spot member prompts were used

during interviews, and follow-up questions were posed when necessary.

The data were analyzed using directed qualitative content analysis. The analytic process proceeded in several steps: first, the interview transcripts were read multiple times to develop an in-depth understanding of the content; next, open coding was conducted to extract initial concepts; thereafter, codes were grouped into axial categories based on similarity and relationships; finally, a network of major and minor themes related to risk management in partnership contracts was constructed. NVivo (version 14) was used to organize, sort, and compare the data.

To enhance analytic rigor and trustworthiness, the study employed peer debriefing and member checking. Portions of the preliminary findings were returned to several participants for confirmation, and the final analysis was reviewed by two independent researchers. In addition, the criteria of credibility, transferability, dependability, and confirmability were observed throughout the research process.

3. Findings and Results

The findings of this qualitative study are derived from the content analysis of semi-structured interviews conducted with 15 legal experts and practitioners in the field of collaborative (participation-based) contracts in Tehran. The analysis revealed that risk management in collaborative contracts is shaped by a combination of legal, financial, and structural factors that either mitigate or intensify contractual vulnerability. Four overarching themes emerged from the coding process: risk and responsibility allocation, clarity and precision in contractual terms, dispute resolution and enforcement mechanisms, and contract flexibility and adaptability to changing conditions. Each theme comprises several subthemes and underlying concepts that demonstrate how preventive strategies, legal transparency, and carefully designed operational frameworks can reduce the likelihood of disputes, support sustainable partnerships, and increase the resilience of joint projects.

Table 1
Coding Table

Theme	Subthemes	Open Codes (Concepts)
1. Risk and Responsibility Allocation	Financial risk assessment	Profit and loss forecasting; sharing unexpected costs; joint investment management
	Defining partner obligations	Clear allocation of contractual duties; specifying scope of work; distinguishing legal vs. operational liability
	Insurance and guarantees	Professional liability insurance; bank guarantees; valid collateral requirements
	Compensation and risk mitigation clauses	Termination and compensation provisions; adjusting obligations under unforeseen changes; contractual penalties
	Environmental and legal risk analysis	Compliance with higher-level regulations; anticipating legislative changes; cross-border legal risks
2. Clarity and Precision in Contractual Terms	Defining key terminology	Standardized legal definitions; harmonized financial and technical terms
	Documenting commitments	Annexes and schedules; technical and financial specifications; clear payment methods
	Contract termination conditions	Bilateral exit clauses; timing and process for partner withdrawal; share valuation method
	Performance metrics	Productivity indicators; delivery milestones; progress monitoring frameworks
	Financial transparency	Cost reporting obligations; independent auditing; shared escrow or joint accounts
	Force majeure and unforeseen events	Force majeure clause; war, sanctions, or currency fluctuation scenarios; continuation or suspension procedures
3. Dispute Resolution and Enforcement Mechanisms	Determining arbitration or adjudication forum	Institutional arbitration; ad hoc arbitration; reference to competent courts; conciliation committees
	Structured mediation processes	Direct negotiation; staged mediation; legal-technical review boards
	Enforcement and compliance guarantees	Liquidated damages; performance bonds; retention of good performance deposits
	Ongoing monitoring and supervision	Periodic progress reporting; independent contract supervisor; risk reassessment over time
	Technology-based contract tracking	Digital progress logs; smart contracts; online execution status monitoring
4. Contract Flexibility and Adaptability	Governing law and jurisdiction	Clear governing law selection; forum shopping avoidance; international legal alignment
	Market-driven adjustment	Price adjustment clauses; adapting financing structures; updating profit and interest rates
	Revisiting obligations	Renegotiation rights; adding supplementary annexes; redefining project scope
	Technological change management	Technology transfer provisions; upgrading digital tools; intellectual property regulation
	Exit strategy planning	Equity buyout options; project transfer to third parties; pre-defined substitute buyers
	International collaboration readiness	Cross-border compliance; multilingual contract drafting; sanctions risk anticipation
	Long-term relationship support	Trust-building clauses; confidentiality commitments; non-compete agreements

Theme 1 — Risk and Responsibility Allocation

The first major theme emerging from the data highlights the centrality of risk and responsibility allocation in collaborative contracts. Participants emphasized that a clear and systematic approach to distributing both financial and operational risks among partners is essential for contract stability and long-term cooperation. One crucial aspect identified was the financial risk assessment process, including forecasting profit and loss scenarios, defining cost-sharing

mechanisms for unforeseen events, and establishing strategies for joint investment oversight. Experts also stressed the importance of defining partner obligations with precision by explicitly stating the scope of work, duties, and liabilities of each party while differentiating between legal accountability and operational tasks. Furthermore, risk mitigation through insurance and guarantees was repeatedly cited as a safety net, with suggestions such as incorporating professional liability insurance, requiring reliable bank guarantees, and

ensuring credible collateral to cover potential defaults. Participants highlighted that well-structured compensation and risk mitigation clauses—such as detailed termination provisions, compensation pathways for damages, and penalty mechanisms—act as safeguards when unpredictable circumstances disrupt project flow. Another dimension that surfaced was environmental and legal risk analysis, particularly the proactive examination of regulatory changes, cross-border legal frameworks, and compliance with evolving domestic and international legislation. Altogether, the theme suggests that a robust risk allocation framework protects all parties, reduces disputes, and builds trust for successful joint ventures.

Theme 2 — Clarity and Precision in Contractual Terms

The second theme focuses on the need for clear and precise contractual terms to prevent ambiguity and future conflict. Interviewees consistently noted that lack of definitional clarity and incomplete documentation are among the most common sources of legal disputes in collaborative agreements. To mitigate this, the data highlighted the significance of defining key terminology, ensuring that technical, legal, and financial terms are standardized and uniformly understood by all parties. Equally important is documenting commitments, where participants advised adding detailed annexes, schedules, and specifications to outline technical standards, payment structures, and obligations comprehensively. Another frequently discussed element was contract termination conditions, including well-defined bilateral exit clauses, procedures for partner withdrawal, and fair valuation methods for equity or shares in the event of dissolution. The theme also includes the development of performance metrics, which allows partners to evaluate project milestones, delivery quality, and overall productivity in an objective and transparent manner. Likewise, financial transparency was identified as a critical requirement, with participants recommending mandatory cost reporting, independent audits, and the creation of shared or escrow accounts to increase accountability. Finally, force majeure and unforeseen events provisions were seen as indispensable for safeguarding projects against disruptions caused by wars, sanctions, or drastic currency fluctuations. This theme reflects the collective belief that precision and documentation reduce contractual uncertainty,

safeguard rights, and create a reliable legal foundation for collaboration.

Theme 3 — Dispute Resolution and Enforcement Mechanisms

The third theme reveals that well-defined dispute resolution and enforcement mechanisms are indispensable for effective risk management in collaborative contracts. Participants underscored the necessity of establishing clear arbitration or adjudication frameworks, with many advocating for specifying whether disputes should go to institutional arbitration, ad hoc arbitration, or local courts to prevent jurisdictional confusion. Another dimension was the design of structured mediation processes, which provide a staged approach—from direct negotiation and informal problem-solving to formal mediation with neutral experts—to avoid costly litigation. Respondents also emphasized enforcement and compliance guarantees, particularly the use of liquidated damages, performance bonds, and good performance deposits to motivate partners to honor their commitments. In addition, ongoing monitoring and supervision was seen as essential to track project progress, assess emerging risks, and ensure contract adherence through periodic reporting and oversight by independent experts. Technology emerged as a supportive tool under the subtheme of technology-based contract tracking, where digital platforms, smart contracts, and online dashboards can provide real-time updates and enhance accountability. Another frequently cited strategy was the selection of governing law and jurisdiction, especially in cross-border collaborations, where aligning the contract with an agreed-upon legal system helps reduce unpredictability and forum shopping. This theme illustrates that embedding efficient dispute resolution and strong enforcement tools significantly reduces legal vulnerability, fosters early conflict containment, and protects the long-term viability of partnerships.

Theme 4 — Contract Flexibility and Adaptability

The fourth theme emphasizes the importance of flexibility and adaptability as a dynamic approach to managing risk in collaborative contracts, especially in fast-changing economic and technological environments. Participants described how rigid contracts often fail when market conditions shift, making market-driven adjustment mechanisms—such as price adjustment clauses, financing updates, and revised profit-sharing

formulas—critical for sustaining cooperation. Another key area is revisiting obligations, where parties need the ability to renegotiate or supplement the agreement through new annexes or revised project scopes as conditions evolve. The study also revealed the growing significance of technological change management, ensuring that contracts can accommodate new digital tools, intellectual property considerations, and technology transfers without creating ownership disputes. Moreover, the interviews underscored the necessity of exit strategy planning, including predefined equity buyout options, partner replacement procedures, and guidelines for transferring projects to third parties to reduce uncertainty if a partner withdraws. International collaboration readiness was also raised, as globalized markets demand compliance with transnational legal standards, multilingual documentation, and anticipation of sanctions or trade restrictions. Finally, long-term relationship support emerged as a proactive measure, where trust-building clauses, confidentiality agreements, and non-compete commitments create sustainable partnerships beyond the life of a single project. Collectively, this theme indicates that adaptive and forward-looking contract structures enhance resilience, allow risk sharing over time, and strengthen partnerships in volatile business contexts.

4. Discussion and Conclusion

The present study aimed to uncover the main dimensions of risk management in partnership contracts through an in-depth qualitative analysis of semi-structured interviews with legal experts and practitioners in Tehran. The findings revealed four interrelated but distinct thematic areas that together shape the stability and sustainability of partnership-based collaboration: risk and responsibility allocation, clarity and precision in contractual terms, dispute resolution and enforcement mechanisms, and contract flexibility and adaptability. Taken together, these results provide an integrated understanding of how risk can be better anticipated, distributed, and mitigated in collaborative contractual frameworks within the Iranian legal environment.

A major insight of this research is the decisive role of balanced risk and responsibility allocation. Participants consistently emphasized that the success of partnership

agreements depends heavily on anticipating financial and legal exposures and distributing them in proportion to each party's role and capacity. This observation aligns closely with earlier doctrinal work that has identified disproportionate risk transfer as a recurrent cause of contractual disputes and project collapse (Āryan, 2019). Prior comparative legal analysis has also highlighted that Iranian partnership contracts often fail to articulate risk-sharing formulas with sufficient precision, leading to uncertainty in the event of losses or unexpected circumstances (Ārā'i, 2020).

Our results further support macroeconomic research showing that well-structured risk allocation can strengthen cooperation and trust, reduce transaction costs, and encourage investment (Bahrāmi, 2023). This is especially important in large and capital-intensive projects, where unpredictable market shocks or regulatory changes can jeopardize both performance and profitability (Mousavi, 2020). By recommending the use of financial risk assessment, insurance, bank guarantees, and collateralization strategies, participants implicitly call for a move toward proactive risk engineering rather than the reactive, litigation-driven approaches that dominate many current practices. This recommendation is also consistent with economic policy discussions emphasizing that robust private–public risk sharing is key for economic resilience and growth (Mahmoudi, 2021).

Another core finding was the pivotal importance of clarity and precision in contractual drafting. Ambiguities in language, incomplete documentation, and undefined legal terms were widely recognized as catalysts of conflict and litigation. This is consistent with the argument that one of the most persistent weaknesses in Iranian contract law is the lack of standardized terminology and inadequate specification of parties' rights and duties (Saffā'i-Far, 2017). Scholars have shown that clear definitional frameworks, detailed annexes, and explicit payment and termination procedures help limit interpretive discretion and thus reduce legal vulnerability (Hosseini, 2022).

Participants in this study specifically called for robust performance indicators, financial transparency obligations, and force majeure clauses—elements that echo the comparative findings of (Zāhedī, 2018), who noted that developed jurisdictions routinely embed these provisions to improve enforceability and prevent

opportunistic behavior. Additionally, the recognition that financial reporting, auditing, and escrow systems can enhance accountability links to global public–private partnership (PPP) governance models, where clear financial disclosure is a prerequisite for investor confidence (Peng et al., 2023). Such clarity does not only reduce dispute probability but also supports sustainable long-term cooperation, particularly in large urban and infrastructure projects (Teimouri, 2024).

The third thematic cluster, dispute resolution and enforcement mechanisms, underscores the fact that no matter how carefully risk is allocated and contracts are drafted, disputes may still arise; hence, preventive and adaptive resolution frameworks are critical. The findings revealed a notable gap between existing practice and international best standards. Many current partnership contracts in Iran still default to generic references to public court litigation, a method widely recognized as time-consuming and disruptive (Saffā'i-Far, 2017). Our participants instead recommended multi-tiered dispute resolution systems, starting with negotiation and mediation, followed by institutional or ad hoc arbitration. These preferences align with the comparative recommendations of (Ārā'i, 2020), who argued that embedding clear arbitration clauses and mediation steps could significantly improve project continuity.

Technology-driven oversight also emerged as a promising innovation, with experts suggesting digital monitoring tools and smart contracts to track performance and flag potential breaches. This finding resonates with the conclusions of (Peng et al., 2023), who demonstrated that digital contract management systems improve transparency and control in PPPs. While Iranian law does not yet fully incorporate blockchain-based enforcement or digital tracking, these mechanisms could become transformative if integrated into legislative and professional practice. Furthermore, establishing clear governing law and jurisdiction was seen as essential, particularly for cross-border collaborations where legal uncertainty discourages foreign participation—a concern also articulated in previous comparative studies (Zāhedī, 2018).

Finally, the theme of contract flexibility and adaptability offers a forward-looking perspective on risk management. Participants recognized that economic volatility, technological disruption, and regulatory

reform make rigid contractual frameworks increasingly impractical. This reflects insights from economic and legal scholarship stressing the value of adaptive governance and renegotiation mechanisms in sustaining long-term projects (Mahmoudī, 2021; Mousavī, 2020). Clauses that allow price adjustment, scope revision, renegotiation, and exit planning were considered vital for resilience.

International PPP literature similarly supports this orientation: well-designed adaptive clauses help preserve partnerships when market conditions change dramatically and avoid costly contract termination (Peng et al., 2023). Our findings show that while Iranian practitioners are aware of this need, actual contracts remain relatively inflexible, and renegotiation often occurs only after disputes arise. By proactively integrating flexibility tools—such as revision triggers tied to currency fluctuations, technology upgrades, or regulatory amendments—contracts could better withstand shocks and encourage long-term trust between partners. This approach is particularly relevant for municipal and infrastructure collaborations, which must respond to evolving public needs and funding structures (Teimouri, 2024).

Taken together, these four themes bridge the legal, economic, and managerial dimensions of partnership contracting. The results support the argument that risk management cannot be isolated from broader economic governance and development strategies (Bahrāmi, 2023). Well-managed partnership agreements are both a private safeguard and a public economic instrument: they attract foreign direct investment, support innovation, and enable the public sector to deliver complex projects efficiently (Rahbar et al., 2021). Conversely, poorly designed risk-sharing frameworks exacerbate litigation, increase transaction costs, and hinder infrastructure development (Ārā'i, 2020).

Our findings also confirm that while Iranian doctrine is evolving—especially through the critique of outdated civil partnership assumptions (Nāseriān, 2025)—there remains a gap between theoretical recommendations and on-the-ground practice. Legal reforms have not yet fully translated into widely adopted contract templates or regulatory guidelines for complex multi-party collaborations. Bridging this gap requires not only legislative modernization but also professional training for lawyers, contract managers, and public authorities to

implement risk-aware design and proactive dispute prevention.

Although this study provides in-depth qualitative insights, several limitations must be acknowledged. First, the sample was limited to 15 legal experts and practitioners based in Tehran, which may not fully capture regional differences or the perspectives of professionals working in other provinces or in international legal settings. Second, while the research design reached theoretical saturation, it remains exploratory; the findings reflect participants' experiences and interpretations rather than statistical generalizability. Third, the focus on the legal dimension of risk management means that complementary financial and technical risk analysis frameworks were not examined in detail. Finally, given the qualitative nature of the data, the study cannot establish causal relationships between specific contract features and project outcomes; longitudinal or mixed-method designs would be required to test the practical impact of the identified strategies.

Future studies could expand on these findings in several ways. A multi-site qualitative design covering other major Iranian cities and key economic sectors would deepen understanding of contextual variations and reveal whether regional legal practices affect risk allocation and dispute resolution. Comparative research across jurisdictions—particularly between Iranian contracts and those used in successful PPP projects abroad—could identify transferable governance mechanisms and inform local reform. Quantitative studies testing the correlation between specific risk management clauses and measurable project performance indicators such as cost overruns, delays, or litigation rates would also be valuable. Moreover, integrating perspectives from additional stakeholders, such as financiers, insurers, and project managers, could produce a more holistic risk governance framework. Finally, future scholarship might explore digital transformation and smart contract technologies in partnership agreements, assessing their legal enforceability and practical efficacy in Iran's evolving economic landscape.

For practitioners, the study highlights several actionable strategies to strengthen partnership contracts and reduce risk exposure. Legal drafters and advisors should embed explicit risk allocation formulas supported by

robust financial safeguards such as insurance and guarantees. They should also adopt standardized, clear contractual language, including performance metrics, detailed annexes, and transparent financial reporting procedures. Dispute resolution should be restructured around multi-tiered systems emphasizing negotiation and mediation before arbitration or litigation, while technology-enabled monitoring can enhance transparency and trust. Furthermore, adaptive contract models should be used, with built-in renegotiation triggers and exit strategies that allow projects to survive major market or regulatory shocks. At the policy level, professional training, model contract development, and the gradual harmonization of Iranian frameworks with successful international PPP standards can further professionalize and de-risk partnership contracting.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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Declaration of Interest

The authors report no conflict of interest.

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Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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