This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

Photo Credit
Photo looking up to the sky close up view of office windows with reflection of green

Well-Defined Asset Rights

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On this page: *Clear and unambiguous legal definitions of ERCs are essential. Read more below, or visit Strategic Guidance for Country System Assessments, Guidance for Countries in Assessing ERC Projects, or Mobilizing ERC Finance.*

S1: Well-defined asset rights. It is essential for developers to be granted legal safeguards that assign them the rights to ERC asset(s) on specific lands or assets to facilitate ERC project development. This criterion assesses whether existing country policies provide clear and unambiguous legal definitions of ERCs, along with the transactions that may be conducted with them. Such policies must also define the activities and assets from which the ERCs may be created or issued and establish the necessary security of tenure for ERC project stakeholders involved in these activities and assets.

Guideposts for best practice
Sequencing for roadmap

- Clear legal definition of ERCs as tradable financial instruments with the relevant asset type based on the country's legal framework, subjected to market trading or security law—backed by the sovereignty/authority of the issuing country.
- Legal acknowledgement of ERC generation, measurement, reporting, and verification (MRV), and trading as recognized business activities within local regulatory context.
- Clear provisions assigning ownership and the relevant rights thereto of carbon avoided/removed to the underlying asset or business activity in relation to ERC projects.
- To avoid confusion, describes the interaction and/or linkages between ERCs and compliance-driven domestic carbon pricing instruments whenever such arrangements exist (i.e., how ERCs can be purchased in lieu of carbon tax payments or what percentage of the allowances in emissions trading systems can be met through the purchase of ERCs)
- [Country-dependent] Established and well-defined asset laws that make for simple acquisition and/or lease of land or other assets necessary to the conduct of ERC projects; Effective mechanism to resolve dispute related to asset and land rights.

Guideposts for best practice		
Sequencing for roadmap		
Impact	High-Key stakeholders in the process (e.g., investors, developers, verification bodies, and buyers) consider asset right protection as go/no-go decision drivers	Phase 1: Establishing the foundations of an ERC supply market
Resources needed	Low-Frameworks for recognizing of new instruments and business activities generally already in place within most policy regimes	

Related Content

- **Strategic Guidance for Country System Assessments (Download PDF version)**
- **Guidance for Countries in Assessing ERC Projects (Download PDF version)**
- **World Bank Emissions Reduction Program: Mobilizing ERC Finance (Download PDF version)**

Additional Resources

- Translating Risk Allocation into Contract Structure
- ?Sector-Specific Content on Climate-Smart
- Climate-Smart PPP Legal and Regulatory Framework

This section is intended to be a living document and will be reviewed at regular intervals. 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. Unless expressly stated otherwise, the findings, interpretations, and conclusions expressed in the Materials in this Site are those of the various authors of the Materials and are not necessarily those of The World Bank Group, its member institutions, or their respective Boards of Executive Directors or member countries. For feedback on the content of this section of the website or suggestions for links or materials that

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