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Approach for Cooperative Approaches

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***On this page:** Appendix A of Strategic Guidance for Country System Assessments cooperative approaches may also be beneficial across other market development activities. Read more below, or visit [Strategic Guidance for Country System Assessments](#), [Guidance for Countries in Assessing ERC Projects](#), or [Mobilizing ERC Finance](#).*

Appendix A of [Strategic Guidance for Country System Assessments](#)

Beyond capability development, cooperative approaches may also be beneficial across other market development activities. Cooperation, whether across countries, regions, or even cities, can help jurisdictions in similar contexts to combine resources and action towards developing high-integrity projects. The extent to which cooperation on a component is likely to be beneficial and effectively may depend on two dimensions:

1. Resources needed – The extent of investment or resources needed to build towards the objectives of a component where areas requiring higher levers of investment, such as in technical knowledge or in sophisticated technology, will result to higher gains from sharing and cooperation

2. Localization needed – The extent to which the component needs to be informed by local objectives and/or realities where higher levels of localization, such as in aligning to local political structures, will result to significant investments in convergence and alignment

When assessing the potential for cooperative approaches, it is recommended that these two dimensions are assessed for each of the components and considering the specific context of the target partners. The application of this approach is discussed for each of the 11 components from a general perspective follows:

Resources needed ¹	Localization needed	Opportunities for regional cooperation
I1: Appropriate institutional mandates		
Low to Medium	High- Depends on the existing legal structure and institutional frameworks	<ul style="list-style-type: none"> Where relevant to areas of cooperation (e.g. for developing multi-lateral trading agreements), ensure coordination of relevant policies among participating countries to prevent conflicting mandates
I2: Capabilities developed		
Low to High	Low- Capabilities required for developing ERC policies fundamentally similar	<ul style="list-style-type: none"> Engage in regional mechanisms such as cooperative networks or alliances to share capabilities and best practices Join efforts in piloting or scaling up technologies for generating ERCs or for digital MRV infrastructure Conduct regional capacity building programs for project developers by mobilizing support from international institutions such as standard bodies
I3: Transparency and accountability measures in place		
High	Low- Reporting and whistleblowing mechanisms can benefit from shared platforms; more important for accessibility	<ul style="list-style-type: none"> Establish regional integrity council to organize public consultations, publish data and act as focal contact for whistleblowing Ensure that participating countries are appropriately represented in regional body and that public consultations are adapted in various languages as needed
S1: Well-defined asset rights		
Low	High- Depends on country's laws governing asset and land rights	<ul style="list-style-type: none"> Share best practices for legal safeguards and/or definitions of ERCs that could be adopted in other similar country contexts
S2: Streamlined project permitting		

Resources needed ¹	Localization needed	Opportunities for regional cooperation
Low	High- Requires ownership from designated state institutions that may differ from country to country	<ul style="list-style-type: none"> • Develop framework to harmonize regional standard for high-quality ERCs that sets requirements for project permitting for non-legal aspects (e.g. MRV set-up, governance structure etc.)
S3: Globally accepted methodologies		
High	Low- Need for localization only applicable for countries looking to develop their own standards and methodologies to align with their national policies	<ul style="list-style-type: none"> • Through establishing regional integrity council, set regional requirements for high-quality ERCs to determine approved standards and methodologies at a regional level; or • Set up regional standard and crediting system for ERCs generated in the region, to combine efforts in communicating standard principles to global buyers and coordinate resources needed to develop methodologies and crediting system infrastructure
S4: Defined benefit-sharing frameworks		
Medium	Medium to High- Standardized best practices for benefit-sharing can strengthen trust in market safeguards for protecting local community rights, but require localized approach for establishing frameworks given differences in local culture, community structures and technical and administrative capacity	<ul style="list-style-type: none"> • Establish regional minimum standards for broad benefit-sharing principles (e.g. requirement for benefit-sharing for specific project types, templated document for reporting on benefit-sharing plan, etc.) • Share best practices for effective benefit-sharing frameworks among countries with similar community structures
V1: Robust MRV approaches		
High	Low to Medium- Setup of mechanism may require adaptation of methodologies to suit local context, but mechanisms for reporting and verification can benefit from shared infrastructure	<ul style="list-style-type: none"> • Develop framework to harmonize regional MRV standard, such as for additionality assessment and leakage and non-permanence safeguards • Set up regional digital database for verified/approved ERCs
V2: Adequate VVB capabilities		

Resources needed ¹	Localization needed	Opportunities for regional cooperation
Medium to High	Low- Need for localization only applicable for countries looking to develop their own standards and methodologies, where specific VVB expertise and/or accreditation may be needed	<ul style="list-style-type: none"> • Establish region-wide process or platform for accrediting VVBs • Conduct regional capacity building programs for auditing or environmental services companies in the region to develop ERC auditing capabilities, offering expedited accreditation for these new VVBs
D1: Defined Article 6 transaction frameworks		
Low to High	High- Depends on country's NDCs and national priorities	<ul style="list-style-type: none"> • Set up annual regional conferences to share best practices and align national Article 6 frameworks with regional carbon market development objectives
D2: Develops trading infrastructure & mechanisms		
High	Low- Initiatives to market ERCs in global market can benefit from a coordinated approach, where localization is only needed for outreach within domestic market	<ul style="list-style-type: none"> • Establish multi-lateral trade mechanisms between buyer countries and region, to supply ERCs as a region • Set up a regional carbon trade/exchange platform for domestic, regional and international ERC trading

Footnote 1: Rational for resources needed indicated in the deep-dive of each component in the [Framework Component Deep Dives](#)

Related Content

- [Guidelines for Implementing Asset Recycling Transactions \(Download PDF version\)](#)
- [Guidance for Countries in Assessing ERC Projects \(Download PDF version\)](#)
- [World Bank Emissions Reduction Program: Mobilizing ERC Finance \(Download PDF version\)](#)

Additional Resources

- [Appraising Potential PPP Projects](#)

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