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

Additional Value Enabled by Project (Initial Profiling and Preliminary Decision)

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On this page: *The project activities also create products or services that generate additional non-ERC revenue, or enable resource savings with tangible cost reductions. Read more below, or visit Strategic Guidance for Country System Assessments, Guidance for Countries in Assessing ERC Projects, or Mobilizing ERC Finance.*

F2: Additional value enabled by project: For many projects, beyond the revenues from selling ERCs, the project activities also create products or services that generate additional non-ERC revenue, or enable resource savings with tangible cost reductions. In this regard, two contributions are accounted for:

- **Non-ERC revenue**: Taking the per-unit price of non-carbon resources generated by the project, multiplied by the amount of non-carbon resources generated by the project that would not have been possible without the ERC project.
- **Cost savings:** Taking the per-unit price of resources saved by the project, multiplied by the amount of resources saved by the project that would not have been possible without the ERC project.

These are additional contributions by the project that can be valued in dollars and allocated to the project's stakeholders, which are distinct from the socioeconomic value criterion (S2) which considers the co-benefits of the project to the broader community or economy and that may be more complex to quantify in value dollars.

Figure 3.3 Guideposts for rating additional value enabled by project

Values and guideposts for rating	Rating
1,000 and above: $1 spent on ERC generation generates at least $1000 of additional value	
100 to below 1,000: $1 spent on ERC generation generates at least $100 to less than $1000 of additional value	

Values and guideposts for rating	Rating
More than 0 to below 100: $1 spent on ERC generation generates more than $0 to less than $100 of additional value	
0: Project does not generate any additional value	

This criterion will be rated based on the proportion of the additional value calculated—contributed by the sum of the project's non-ERC revenue and cost savings—relative to the project's cost of ERC generation, taking into account only the cost attributable to ERC generation. This value will reflect the extent to which a per-dollar investment to generate ERCs from the project will enable other sources of economic benefit. Suggested benchmarks are indicated in the guideposts above to rate this value. These can be adjusted according to the projects in consideration or as appropriate to the purpose of the exercise. See Figure 3.3.

While the NPV of the project's non-ERC component is provided as an optional measure for reference in the initial profiling stage, given that this value will largely depend on the business model of the project and its project activities, the evaluation of this criterion at this stage focuses on its total absolute value. The NPV of the project's non-ERC component will only be used for the more detailed assessment conducted for Step Three.

Related Content

- **Guidance for Countries in Assessing ERC Projects (Download PDF version)**

Additional Resources

- Climate-Smart PPPs: Further Reading and Resources

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 could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.