



# The Higher Ground Foundation

- stand up to climate change

## Introducing the Higher Ground Foundation and The Vulnerability Reduction Credit™

### Overview

*Developing climate adaptation practices and measures that will protect individuals and communities against current and upcoming climate effects is the fundamental imperative of the 21<sup>st</sup> century. That's why we created the Vulnerability Reduction Credit (VRC™): to make effective and sustainable climate change investment attractive and, in so doing, help create a future where the best responses to climate change are those the world wants to make.*

*A VRC is worth €50 of avoided impact costs and enables a direct and auditable comparison of potential adaptation costs and benefits across different projects that might be undertaken to reduce the vulnerability of communities to climate change.*

*VRCs can be earned by communities or enterprises carrying out climate adaptation projects. These can then be sold to investors or donors interested in measuring and verifying project outcomes in a transparent manner. Crucially, as VRCs are only earned if a project is maintained and evaluated over an agreed time period, they incentivise sustained adaptation behaviour and can promote commitment to adaptation projects beyond the scope of political or business cycles.*

### Why have VRCs?

Despite the widely recognized need for adaptation to climate change, few communities—local, national, or international—find it easy to make the decisions and fund allocations vital to make this happen. This is not only due to funding gaps but, perhaps more importantly, to a lack of a commonly agreed approach to incentivise and sustain adaptation.

*Climate adaptation is the process of adjustment to current or expected future climate conditions and their effects*

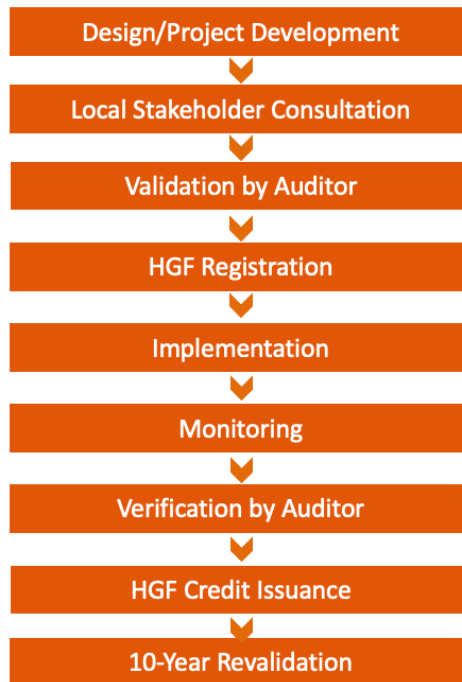
To overcome these barriers, we founded the Higher Ground Foundation with the goal of developing a measure that recognises the benefits of adaptation in a more equitable manner—the VRC. With the basic economic concept in place, we worked closely with a multidisciplinary group of experts to formulate a technical 'standard framework' for the VRC modelled on the UN Sustainable Development Goals and its environmental, social, and governance principles.

***At the Higher Ground Foundation, we are creating a future where the best responses to climate change are the choices the world wants to make***

The VRC Standard Framework was formally launched at the 23<sup>rd</sup> Conference of Parties Climate Conference (Bonn, 2017). Projects can register to qualify for VRCs under our current 'Pilot Implementation and Partnerships Phase' (PIPP). We actively seek partners for the PIPP across a range of sectors and regions to develop pilot projects.

### VRC Project Cycle

Projects that ensure climate resilience through demonstrated and validated climate adaptation measures are awarded transferrable VRCs by the Higher Ground Foundation. The HGF manages the process of VRC project development, execution, and monitoring through a multi-step process in conjunction with all project stakeholders and also with third-party auditors.



### VRC Project Examples

#### Flood Prevention

A growing number of floods in recent years, which have displaced millions and had devastating impacts on human health, food security, and infrastructure, have a demonstrable link to climate change. Projects to reduce flood hazard (including engineering, land use, and disaster management interventions) could potentially be attractive generators of VRCs and the revenue stream from the VRCs can, in turn, be used to leverage project finance.



The HGF has developed a Vulnerability Reduction Project Manager-Flood Defense (VRPM-FloodDefense) tool, which can support project development. Starting with the baseline flood hazard and anticipating future changes in precipitation and other climate factors causing flooding, the VRPM-FloodDefense can be used to support projects protecting communities and assets. After implementation, if monitoring reports demonstrate that the project is maintained in accordance with its registered HGF design then VRCs can be issued.

## Agricultural Climate Adaptation

Billions of people across the world sustain themselves through farming and grazing. In subsistence agriculture, climate factors such as temperature and precipitation dictate the success or failure of a particular harvest. Harvests affected negatively by adverse or irregular climate conditions can throw an entire region into poverty.



Higher Ground VRCs can stimulate planning and project finance for climate-resistant crop production. To earn VRCs, current agricultural practices and their vulnerability to climate change in a particular area first need to be understood. This provides a 'vulnerability baseline' against which to assess future climate impacts—and interventions—on production and to thereby quantify VRCs.

These VRCs underpin assessments of the potential impacts of alternative practices (such as changes in crops and varieties, irrigation, and pest management), and which of these can offer cost-effective means of reducing vulnerability. In this way, VRCs transparently support decision-making while at the same time recognising long-term project maintenance and evaluation oversight as a fundamental component of the process.

### **[Learn more about the Higher Ground Foundation and VRCs](#)**

*We invite you to visit our [website](#) for more detail about HGF and VRCs. You can also browse our growing series of [blog posts](#) by a range of in-house and guest experts. The Higher Ground Foundation is always ready reach out to those who want to find out more about our efforts and, we welcome all opportunities for people to share their expertise and enthusiasm with us.*

*Follow us on social media:*



*For further information on partnering with us, please visit our [Pilot Implementation and Partnerships Phase page](#).*

*If you are interested in learning more about VRC projects, you can download our [Request for Project Concept Notes](#).*

*If you would like to receive email updates on HGF activities, why not join "Friends of Higher Ground"? To place yourself on our mailing list, please visit our [registration page](#).*

*To reach out directly to HGF, contact us at: [info@thehighergroundfoundation.org](mailto:info@thehighergroundfoundation.org)*