The Higher Ground Foundation
- stand up to climate change

ADAPTATION COMMITTEE SUBMISSION

Adapting to Climate Change: Ensuring Robust Monitoring & Evaluation Measurement Using the AMME Framework and climate Vulnerability Reduction Credits (VRCs)

Introduction

The Higher Ground Foundation (HGF) is pleased, as a Nairobi Work Programme Partner, to submit the following contribution for the forthcoming Adaptation Committee (AC) '*Technical paper on adaptation monitoring and evaluation (M&E) at the national and subnational level'.*

The HGF is active in developing M&E approaches and metrics at different scales, contexts, and levels ranging from subnational to international. Our recent work has focussed on two of our M&E tools that are directly relevant to the challenges of adaptation metrics for national and subnational levels:

(I) The International Platform on Adaptation Metrics (IPAM), formulation of the Adaptation Metrics Mapping Evaluation (AMME) Framework for evaluating and assessing adaptation metrics and gaps in different contexts.

(II) The Côte d'Ivoire National Climate Change Program, the UNDP, and the Green Climate Fund to explore integrating HGF's climate Vulnerability Reduction Credit (VRC™) instrument into project, finance and national adaptation management

We believe that our input is particularly relevant to the AC current consultation as it directly addresses many of the challenges of M&E aggregation and comparisons from 'bottom-up' projects to 'top down' national level strategies. We further note that our work, including the above examples, may support the Global Stocktake and a more specific and actionable definition of the Global Goal on Adaptation.

Measuring the impact of strategies and projects for adaptation to climate change is central to understanding what constitutes a successful adaptation and lessons that can be learned for other situations. Much depends on the credibility of the measures used; the accuracy of the data and information they are based on; and the relevance they have to context, outcomes and scale (whether this is trans-national, national, or sub-national).

This is where a coherent and systematic framework for evaluating indicators is crucial to making sense of the relevance, purpose, and message of metrics.

I. The AMME Framework

The 'Adaptation Metrics Mapping Evaluation Framework' (AMME) - developed under the auspices of the International Platform on Adaptation Metrics (IPAM) was launched at CoP 26 in November 2021. Its purpose is to enable a systematic evaluation of climate adaptation indicators and establish the completeness of their coverage. In other words, this means not only assessing how well any indicators address their intended focus, but that they are also addressing their context efficiently and effectively and, ultimately, providing relevant and timely support for decision-makers.

The AMME Framework is a whole system approach which sets out a universal methodology for evaluating the relevance and focus of indicators. This means that it can be applied across different systems and localities and is not tied to a specific context, setting, or spatial level. It provides a consistent means of evaluating indicators and their capacity to address climate adaptation issues including their purpose, relevance, and ability to incorporate stakeholder engagement. In this way the AMME Framework helps to ensure that key aspects of what needs to be measured are included and can be used to highlight where there might be gaps – or overlaps - in indicator coverage for a particular adaptation contexts and related challenges (e.g., adaptation of smallholder farms in a region facing more frequent and extreme drought conditions).

The Methodology

The AMME Framework is applicable irrespective of spatial scale of interest or the particular context (e.g. agriculture, water, cities, etc). The AMME methodology focuses on five different 'aspects' to be examined for any specific indicator including: its purpose; degree of stakeholder engagement and participation; stakeholder capacity and competency; how it contributes to good evaluation practice; and its data and information requirements. Each of these aspects is, in turn, considered through three 'lens perspectives' which consider how they interact with wider stakeholder needs and decision-making processes, and all with regard to the broader 'whole system' of the adaptation context of interest.

The nature of the AMME Framework enquiry is such that the lenses automatically adjust for differences in scope, scale and purposes of individual evaluations, and each of the three perspectives overlap as necessary.

The Framework methodology delivers this analysis in a structured review process of four steps each with an action checklist and supported by a matrix for mapping existing metrics against the aspects and lenses. These steps include:

- specification of the evaluation scope and metrics challenges
- analysis of existing metrics coverage
- reconciliation of the practicalities of overcoming any identified 'metrics gaps'
- the role of learning, feedback, and revision

Full documentation of the AMME Framework can be downloaded here.

Adapting the AMME Framework

As set out, the AMME Framework envisages a thorough investigation of indicators that might cover a particular adaptation sector – such as agriculture in arid lands – rather than applied to an individual project. However, shortly after its launch, an opportunity arose to apply the AMME Framework to evaluate the ACT assessment methodology (see below); a set of existing indicators related to corporate climate adaptive capacity. The evaluation of these indicators was required within a very short timescale and, to support this process, the AMME Framework was successfully applied to support this work.

The ACT – Assessing low-Carbon Transition® initiative supports and assesses the readiness of an organization to transition to the low-carbon economy using a future-oriented, sector specific methodology. It is now being extended to assess corporate climate change adaptation strategies. The ACT is a joint voluntary initiative of the UNFCCC Secretariat's Global Climate Agenda. The ACT adaptation methodology is currently undergoing a seven-month pilot with 15 companies.

This process centred on reviewing each of the ADEME 23 indicators through the three AMME 'lens' perspectives only (how they each relate to stakeholders, decision making processes, and a whole system view) plus, for each indicator, a consideration of data and information aspects. The gap analysis and learning and feedback steps, which form part of a full AMME Framework application, were not directly relevant for this exercise. A very rapid turn around was required for the exercise, but the AMME Framework proved that – even used in a reduced format - it could offer value to the review process to enhance the ACT Adaptation methodology for the pilot.

An example of the review questions for one indicator is found in Annex II.

II. Climate Vulnerability Reduction Credits (VRCs)

Our second example illustrates our own approach to consolidated metrics: climate Vulnerability Reduction Credits (VRCs™). In this we are partnering with different organizations and countries and we describe here a current study in Côte d'Ivoire where we are exploring the potential application of VRCs for adaptation projects including, reporting and verification (MRV).

VRCs Background and Functionalities

Measuring all adaptation activities everywhere with a 'universal metric' is unrealistic and infeasible.[1] And it is clearly not possible to apply VRCs to every adaptation project, owing to limits to both data availability and analytical limitations. Where it can be applied, the VRC, however, as a single-number indicator is easily aggregable from the project level upward, making it a promising tool for linking regional, national, and, ultimately, global-level metrics of adaptation performance. Furthermore, the VRC can be denominated as a fungible credit, making it potentially attractive as an investment and financing vehicle for adaptation funding.

[1] For a discussion of the concept of universal metrics (or "indicators") in adaptation and their applicability and limitations, see UNEP DTE (2019). " Adaptation metrics: current landscape and evolving practices."

The VRC metric offers two principal functionalities in addressing national and subnational adaptation management challenges: *fungibility* (i.e., can be used to compare results across and between projects addressing diverse climate vulnerability modalities); and *aggregability* (the VRCs produced by individual projects can be added to produce indicators of adaptation results within sectors and, from there, at national and international levels).. VRCs can also be used in conjunction with other appropriate output metrics as a way to inform national activities in terms of monitoring, reporting, and evaluating adaptation at scale. In this way, we are currently aiming to see if a project framework can be developed using the VRC as the "nucleus" of a set of bottom-up metrics which can, in turn, inform the top-down metrics used at the national level. More details are available in Annex II.

VRCs for Côte d'Ivoire

In Côte d'Ivoire the Higher Ground Foundation is working with the National Climate Change Program and UNDP, with the support of the Green Climate Fund, to explore the potential role for VRCs in supporting adaptation M&E and project finance in both national and sub-national contexts and overcoming barriers to the uptake of projects that reduce vulnerabilities to climate change. Our research is examining:

- *Institutional and policy barriers*: lack of national to sub-national coordination,
- *Information and knowledge barriers*: lack of sufficient information to prioritize adaptation interventions, no Monitoring, Reporting and Verification (MRV) system for adaptation, and
- *Financial obstacles*: no financial mobilization strategy, private sector funding potential unexplored.

A key challenge to the funding and mobilization of adaptation is acquiring and applying the knowledge, skills, and mechanisms to directly support and empower communities to take control themselves in addressing climate hazards and associated impacts. This requires working and learning with stakeholders to advance informed, forward looking, and incentivized adaptation practices whose outcomes can be measured to show the impact of climate change adaptive management, and VRCs can form a critical component of this.

Concluding Comment

We hope that our input provides support for the Adaptation Committee as it prepares its forthcoming technical paper. We understand the Committee is seeking to enhance clarity and advance more actionable approaches to meet the Global Goal on Adaptation.

This requires appropriate metrics which address both national and subnational contexts, and we believe the tools we have outlined here (The AMME Framework and Vulnerability Reduction Credits) are both relevant and practical for these contexts.

Paul Forte and Karl Schultz, 28 June 2022

Annex I. More about the Higher Ground Foundation (HGF) and the climate Vulnerability Reduction Credit (VRC™)

What is the Higher Ground Foundation (HGF)?

- The Higher Ground Foundation aims to create a future where the best responses to climate change are the choices the world wants to make.
- It created the Vulnerability Reduction Credit, or VRC™, to encourage investment in climate adaptation projects.
- VRCs are a means to quantifiably assess a project, based on sustained attention to maintaining climate resilience. As such they may be used for monitoring and evaluating projects, prioritizing investments, and could be purchased by parties interested in securing verifiable reductions in climate vulnerability from climate adaptation.
- After development and a comprehensive review by over 40 experts, we have released of VRC Standard Framework and launched our "Pilot Implementation and Partnerships Phase (PIPP)."
- This study and our partnership with Côte d'Ivoire is part of the PIPP, to pilot projects and improve the Standard Framework, to meet our aim.

Vulnerability Reduction Credits (VRCs™)

- A VRC™ is the monetized cost of the estimated impact of climate change, adjusted for the income level of the community, that will be avoided as a result of the project.
- The Higher Ground Foundation created the VRC instrument and developed an expert-reviewed Standard Framework to ensure VRCs met key scientific, environmental, social and economic criteria.
- In brief, it is a credit for work done to avoid damages or losses owing to climate change - a vulnerability reduction credit.
- A VRC is €50 worth of income adjusted avoided impact costs.
- The VRC may serve as a finance instrument and as a metric that, alone or in conjunction with other metrics, can translate information on results at the project level to the national level to enhance reporting and management under Côte D'Ivoire's Paris Agreement transparency framework.

For more information

Contact us and also you can become a Friend of Higher Ground. We are always happy to discuss how we may fruitfully partner.

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Annex II. AMME Application with ACT Initiative's Adaptation draft Methodology

The following is an example how the Framework was applied to assess ACT Adaptation Indicator 1.1. Long-term vision and corporate projects.

Stakeholder lens:

- Within the organization under review list the stakeholders / organizations involved in preparation and adoption of the long-term vision for climate change adaptation.
- Identify the overall corporate vision and any individual department or subsidiary organization visions/ objectives in addition.
- Identify the process and players involved in developing/ reviewing the long-term climate change vision.
- Describe the process to inform and mobilize stakeholders and employees and the measures which indicate that this has occurred.
- Consider how 'awareness' of climate change adaptation is measured and the processes for doing so (e.g., surveys).
- Identify relevant sources of data and information; how is data collected, with what frequency and who has responsibility.

Whole system lens:

- Identify how all corporate goals align with the climate change adaptation vision.
- Establish where the important boundaries lie between the organization as a self-contained system and its wider operating environment (e.g., economic (skilled labor, technology)/ legal framework/ social/ political).
- Identify wider supply chain / demand aspects – beyond the immediate organizational boundaries of interest – which have may apply in the context of the climate change adaptation vision.
- Identify the relevance of any differences in timescales in climate change adaptation interactions between the organization and its wider system environment (e.g., legislation, infrastructure investment, etc.).
- Describe how are these dimensions measured, and underpinning sources of data/ information/ intelligence.

Decision making lens:

- Identify how – and the extent to which - the climate change adaptation policy is embedded in the mainstream organizational decision-making process.
- Describe the climate adaptation strategy review process and its context within the mainstream organizational decision-making processes.
- Identify the relevance and timeliness of the data and information used in developing the strategy.