



The Higher Ground Foundation
- stand up to climate change

Request for Project Concept Notes

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Climate Adaptation Works and The Higher Ground Foundation are initiatives of Climate Mitigation Works, a private limited company registered in England and Wales. Registration Number 04906591.

1. VRC™ and The Higher Ground Foundation

The Higher Ground Foundation is introducing a market-based mechanism to finance climate change adaptation projects through “vulnerability reduction credits” (VRCs™). This is our response to the call for supporting climate adaptation in developing countries that can be met in a flexible, efficient, and bottom-up project-level approach.

An important part of the approach is giving organizations a practical way to demonstrate their interest in directly combating the impacts of climate change in vulnerable communities, while showing they are leaders in innovative climate adaptation finance. In other words, it provides a chance to take action that directly reduces the vulnerability of those who are impacted by climate change.

Higher Ground is forming as a non-for-profit standards body for climate adaptation action. The VRCs are awarded over time after demonstrating sustained delivery of vulnerability reduction. Aspects of this scheme include clear baseline and monitoring regimes and a review and governance system that encourages transparency, accountability, and private innovation.

The Higher Ground Foundation’s vision is to create a sustainable market to finance, develop and build climate adaptation projects. It will facilitate the creation of multiple new businesses and products such as in project development, engineering, insurance, consulting, brokerage and investment and VRC exchanges.

2. Objective in Calling for Project Concept Notes

For any new market or product, proof of concept is needed, especially in a voluntary setting. Does the product deliver what it promises? The best proof of concept is a working and easily replicable set of pilot projects that go through the VRC assessment for registration and issuance.

Higher Ground is interested in identifying one to three projects with committed champions that will serve as pioneering efforts in testing the VRC market scheme. These projects will benefit from support by *Higher Ground* in defining project level baselines, monitoring systems, and securing project sponsors interested in the securing VRCs.

Such a pilot project should be:

- Relevant: demonstrating clear linkages between anticipated climate changes and the project's ability to measurably reduce the vulnerabilities to the impacts of these changes;
- Executable: the proponents are committed to the sustained management of the project and can demonstrate that, with support including VRCs generated, the project will not face significant barriers to implementation;
- Transparent: with a full disclosure of mechanics;
- Simple: easy to understand;
- Replicable: experience is transferable to other projects, and;
- Fully integrated: covering each aspect of the entire project cycle.

As noted above, in a voluntary setting the demand has to be created, not forced upon market participants. Therefore, a pilot project is a very effective, even necessary communication tool to create and stimulate demand.

These Project Concept Notes are an opportunity for project proponents to begin the process of communicating their project to *Higher Ground*. Those projects that look like they have potential to be good candidates for vulnerability reduction credits will be contacted to develop a dialogue and further assess their applicability as *Higher Ground* pioneers.

3. Guidelines in Preparing Project Concept Notes

The below guidelines aim to give The Higher Ground Foundation a first order understanding of projects and their potential to be good candidates for pioneer project status. In addition to covering all of these sections, to the best of abilities, please include in the cover letter any additional information that you believe will be relevant in considering your project.

- A. Project Information:
 - a. Title of Project
 - b. Project Goals and Objectives
 - c. Location (district/city, country)
 - d. Sector(s) Covered
 - e. Vulnerability Reduced
 - f. Project Participants
 - i. Owner(s) of vulnerable asset
 - ii. Developer
 - iii. Investor
 - iv. Other

- B. Context (not more than 300 words)
 - a. Baseline vulnerability (quantified): what is vulnerable, and if possible, to what extent (e.g., flooding frequency and severity)?
 - b. Baseline vulnerability with anticipated climate change (quantified): if climate projections are available, to what extent will vulnerabilities increase because of climate change (e.g., anticipated increases in landslides owing to changes in precipitation patterns).
 - c. Proposed project and anticipated vulnerability reduction (quantified): to what extent is the project expected to reduce vulnerabilities? If possible, quantify (e.g. crop productivity) how much the project will improve or minimize expected losses.

- C. Project Activities and Calendar
 - a. Anticipated Start of Project Implementation
 - b. Completion of Capital Deployment
 - c. Anticipated request for first tranche of Vulnerability Reduction Credits

- D. Climate Vulnerability Reduction Expected Results (not more than 300 words)
 - a. Economic (vulnerability reduction in monetary terms)
 - b. Social (e.g., lives protected, community preserved, etc.)
 - c. Environmental (biodiversity protection, etc.)

- E. Investment costs (Capital Costs, operating and maintenance costs, in-kind contributions) & Financing plan, if any (not more than 200 words)

- F. Budget Estimate (broken down by key components)

- G. Organizational Background of project proponents, including expertise and experience (not more than 300 words)

- H. Complete Contact Information