



Standards for a Sustainable World

## **Leveraging standards for greater impact: the need for measurable outcomes to drive incentives**

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# Organizational overview - VCS

- Non-profit organization
  - ✓ Founded in 2007, incorporated in 2009
  - ✓ Headquartered in Washington, DC, staff in Peru and Switzerland
- Develop, manage and evolve standards frameworks
- Key strengths
  - ✓ Industry leading standards portfolio
  - ✓ Ability to convene diverse range of stakeholders and generate workable frameworks
  - ✓ Innovation



INITIATIVE FOR  
**Climate Action  
Transparency**

# Presentation outline

- Standards frameworks managed by the VCS
  - ✓ Verified Carbon Standard
  - ✓ The Climate, Community & Biodiversity (CCB) Program
  - ✓ Sustainable Development Verified Impact Standard (SD VISta)
  - ✓ Landscape Standard (LS)
- Emerging opportunities and challenges
- Key data and monitoring needs and challenges

# Standards Managed by VCS

# Leading carbon standards

## Credibility of GHG reductions

- Additionality
- Measurement & monitoring
- Leakage
- Permanence
- Validation, verification, registration

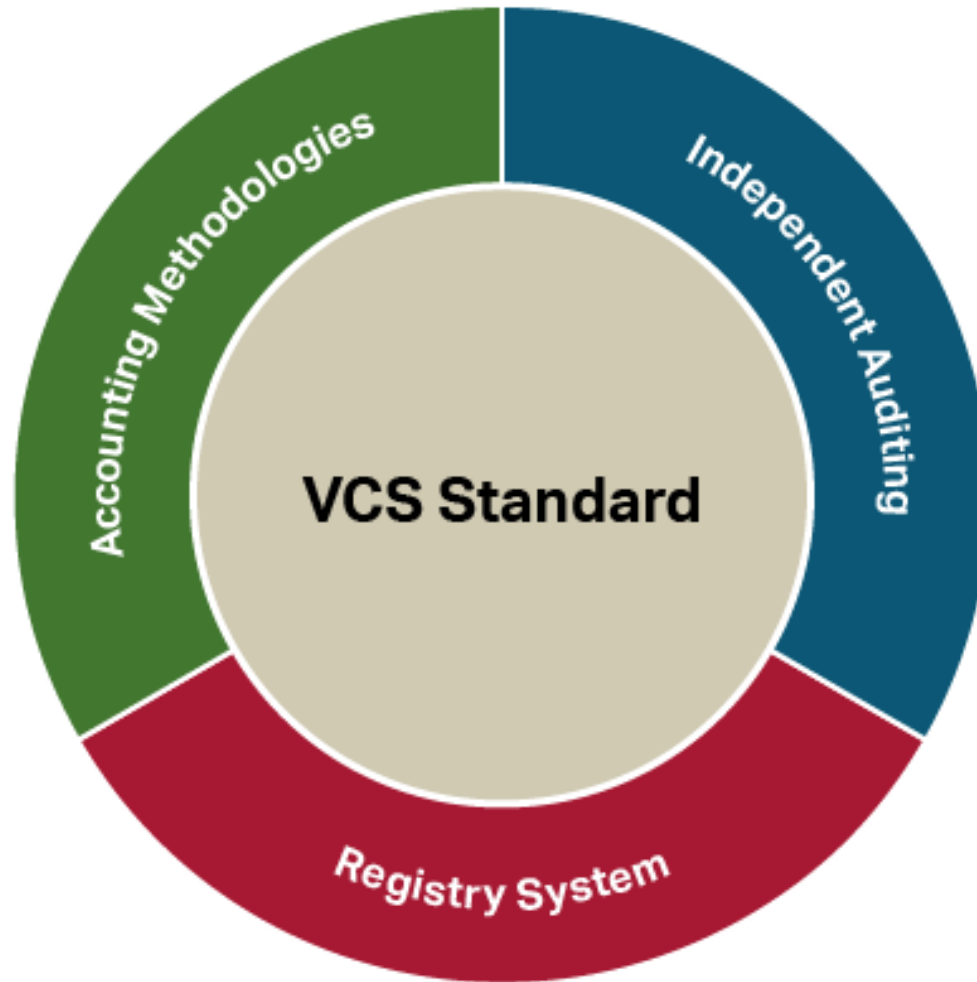


## Social & environmental impacts

- Poverty alleviation & sustainable development
- Biodiversity conservation
- Watershed protection
- Climate change adaptation



# VCS Program



# Climate, Community & Biodiversity Program

The CCB Program stimulates and promotes land management activities that credibly **mitigate global climate change**, **improve the wellbeing** and **reduce the poverty of local communities**, and **conserve biodiversity**.



Photos: J.Henman



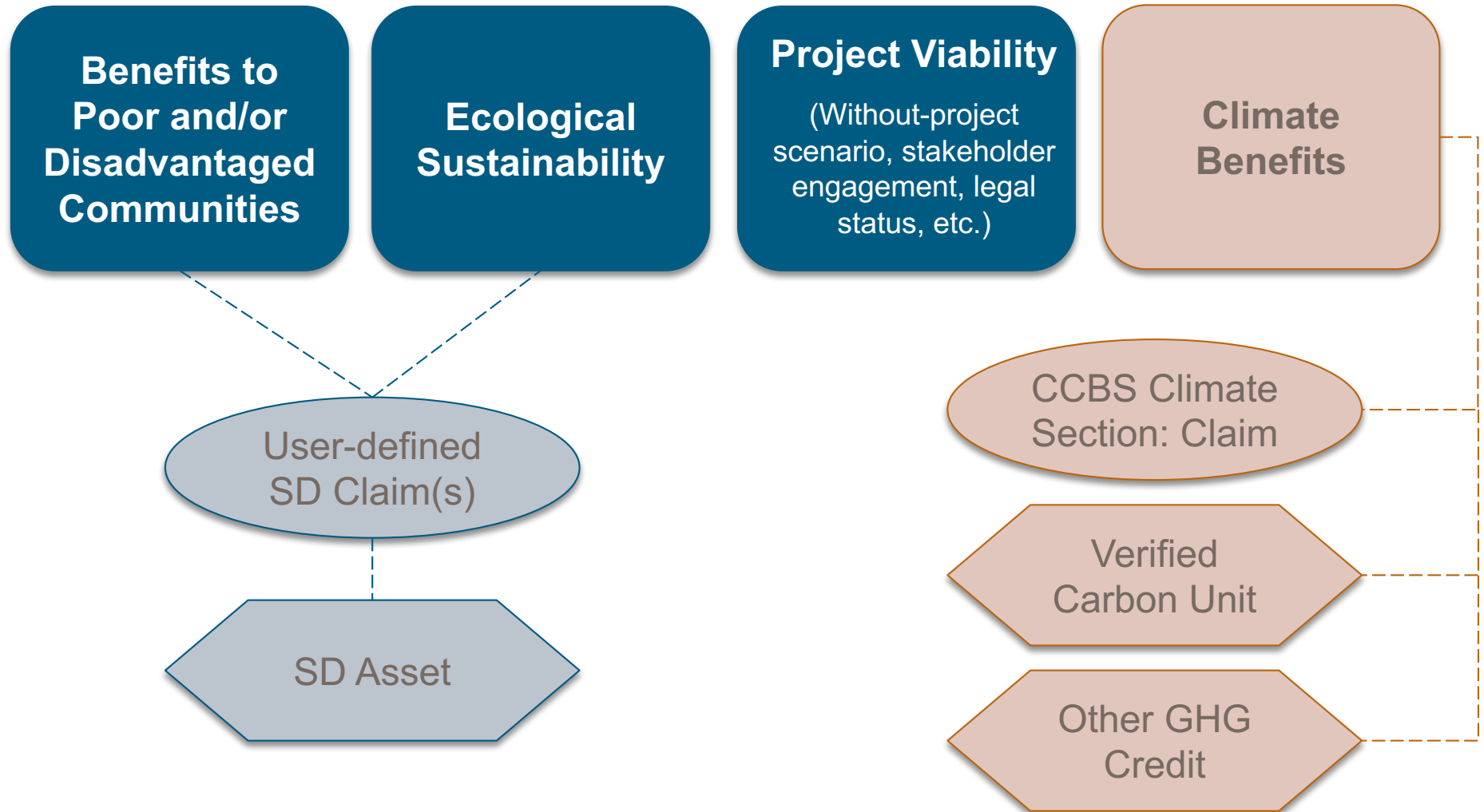
# The wide scope of CCB

- Allows a broad range of land-use project types
- Project can be anywhere in the world
- Projects can be any size and assessed on an individual or grouped basis
- Can be combined with GHG standards to issue carbon credits





# Sustainable Development Verified Impact Standard (SD VISta)



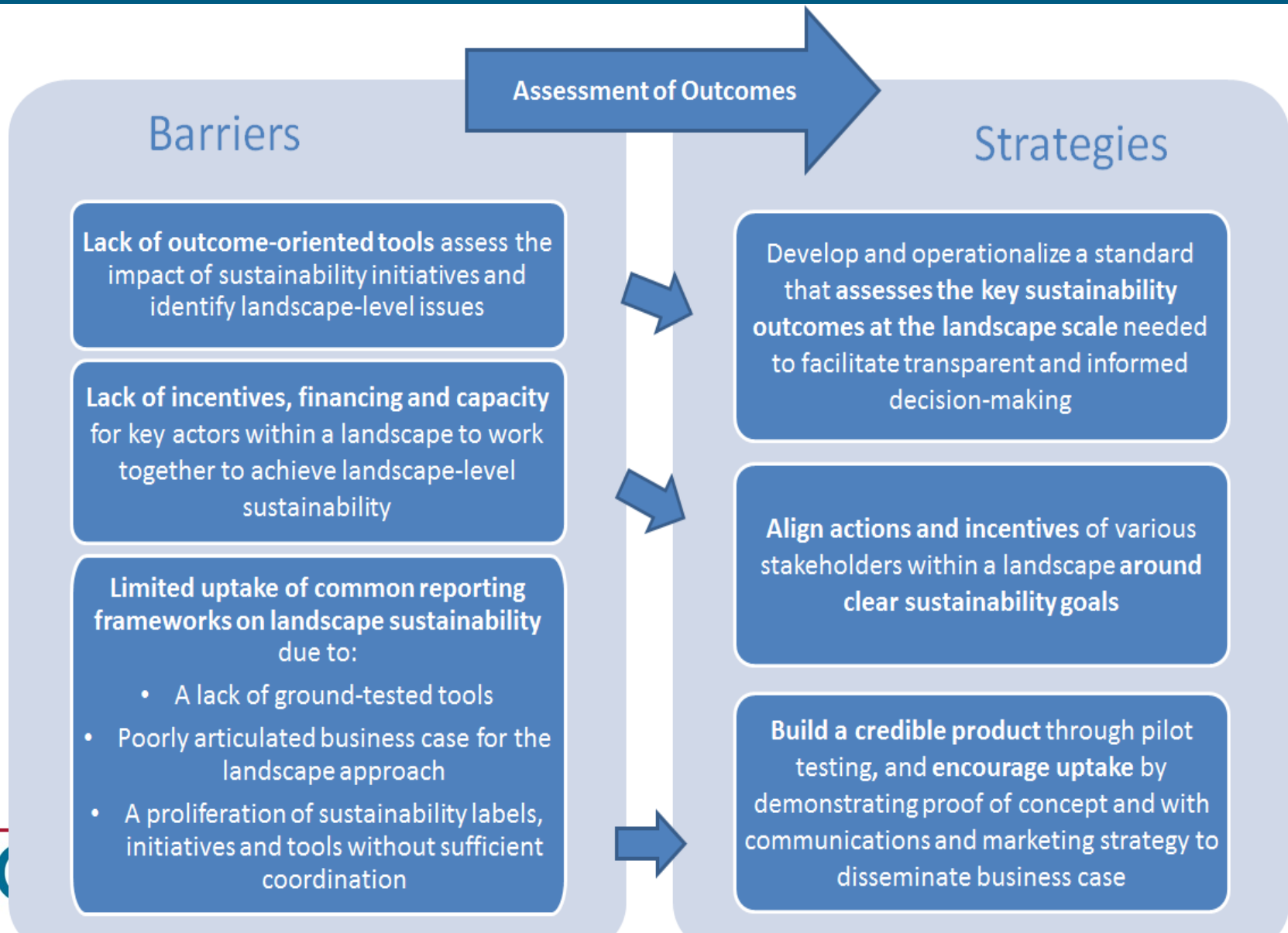
# SD VISta value proposition

Flexible, robust, global standard to demonstrate how ecosystem conservation (and related) measures can deliver significant and measurable sustainable development benefits, and help connect these outcomes to donors, investors, credit buyers and other key stakeholders



Photos: Alto Mayo REDD+ project, Peru (source unknown); US smokestacks via Flickr; Indonesia (N. Swickard, VCS)

# Landscape Standard (LS)



# What is the Landscape Standard?

- A framework for assessing and demonstrating progress on landscape sustainability using a core set of outcome-based indicators (environmental, social, economic) that
  - ✓ Guides, aligns and documents stakeholder objectives
  - ✓ Helps standardize and select environmental and social sustainability indicators
  - ✓ Provides a platform for streamlined reporting and ongoing monitoring of landscape performance through periodic applications
- Provides step-by-step procedures and guidance for applying the framework

# Proposed Landscape Standard Indicators

| Dimension of Sustainability |                           | Potential Metrics   |
|-----------------------------|---------------------------|---|
| Environmental               | Land Conversion           | Deforestation, degradation, restoration, enhancements   |
|                             | Biodiversity              | Species abundance, species variety, corridor connectivity                                     |
|                             | Soil Health/Fertility     | Erosion, fertility  |
|                             | Water                     | Availability, watershed health, pollution from various land uses                              |
|                             | Climate Change Mitigation | Forest carbon stock, decrease in emissions (land-use and production)                          |
| Social                      | Human Well-being          | Gender equality   |
|                             | Climate Change Adaptation | Resilience to pests, sustainability and consistency of supply                                 |
| Economic/<br>Governance     | Productivity              | Crop yield, farm crop price, crop quality   |
|                             | Economic Well-being       | Family income per capita, employment  |
|                             | Governance                | Compliance with national laws, land tenure, governance of natural resources, social conflicts |

# Emerging opportunities and challenges

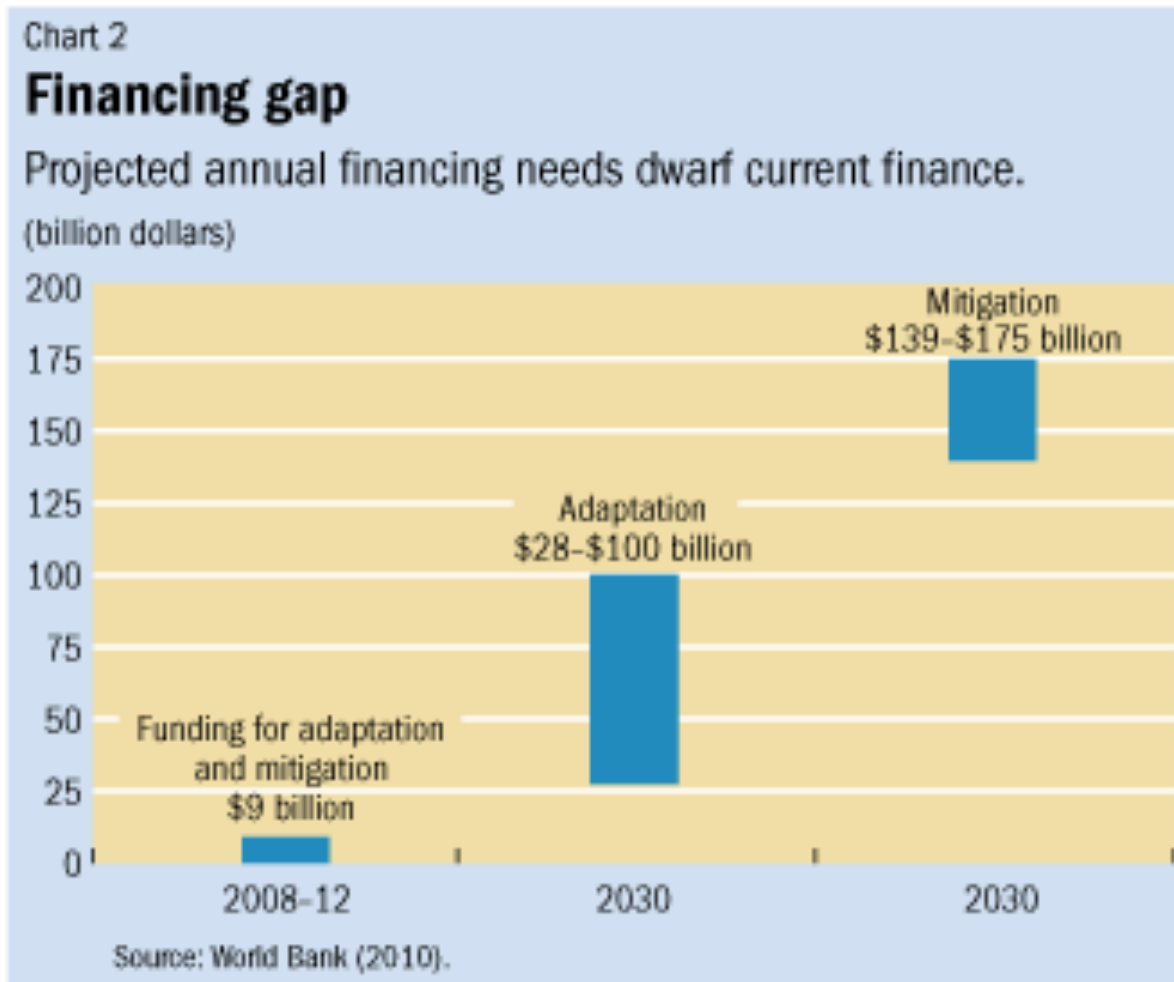


# Developments to watch re: carbon markets

- Emerging market demand in the aviation carbon market and domestic markets (e.g., Colombia)
- Post-2020 Paris Agreement opportunities and constraints on international offsets
  - ✓ Paris agreement allows for market and non-market approaches (Article 6)
  - ✓ Countries will each have a Nationally Determined Contribution (NDC), meaning a need for national-level accounting and reporting
  - ✓ Continued need for private investment, which is generally directed at site-specific/project-level interventions

# Need for finance and incentives...

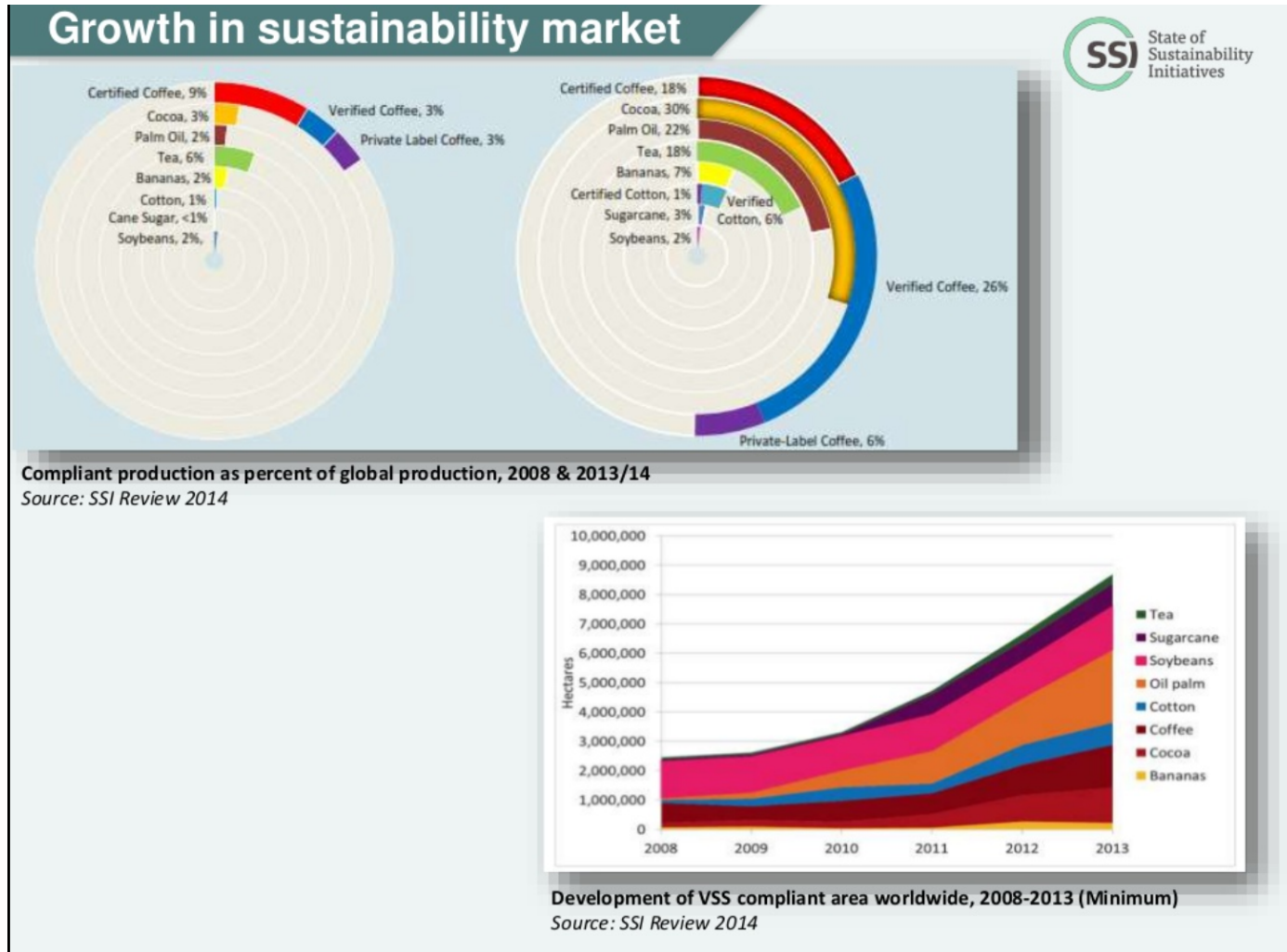
- Significant finance gaps remain
- To drive private finance, must have measurable results tied to outcomes



# Developments to watch re: sustainable development and supply chains

- In 10 years, PES markets expect...
  - ✓ Significant growth in demand for standards-verified, beyond-carbon, environmental benefits and assets
  - ✓ Public-private partnerships and investment models become widespread
- Sustainable Development Goals (SDGs) gaining traction, meaning:
  - ✓ Need to measure, monitor and report progress not only nationally, but the contributions of subnational and project-level interventions
- Supply chain commitments (e.g., Zero-deforestation, Climate Smart Agriculture) increasing, requiring:
  - ✓ Means to credibly, transparently and efficiently measure and monitor a range of sustainability metrics at scale

# Developments to watch re: supply chains



# Key data and monitoring needs and challenges

# Emerging data needs and challenges: carbon

- ✓ Reconciling differences in monitored results at different levels (data and methods)
  - Project, jurisdiction, national, global (nesting)
  - Supply chain vs land-based accounting
- ✓ Permanence monitoring – potential to use real time info to improve monitoring of permanence
  - VCS created permanence buffer approach to handle risk of reversals in agriculture, forestry and other land use (AFOLU) projects
  - Currently relies on regular monitoring and verification, and ‘loss event’ reporting



# Emerging data needs and challenges: carbon

- ✓ Opportunity for streamlined monitoring options to reduce transaction cost (especially where 'offsets' are not traded internationally)
  - Domestic markets
  - 'Contribution units'

# Emerging data needs and challenges: SD

- Need for efficient monitoring of range of sustainability indicators:

- ✓ Efficient, low-cost, meaningful results
- ✓ Particular challenges:
  - ✓ Soils
  - ✓ Biodiversity
  - ✓ Social indicators
  - ✓ Potential proxies?

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# Questions?

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