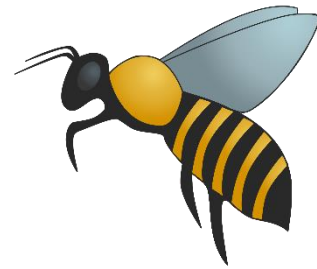


Verified Conservation Areas

*Creating a new asset class of natural capital
to conserve our planet, hectare by hectare*

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Contents

1. Introduction	1
2 Core features of the VCA Approach	2
3. Encouraging conservation: The VCA Registry	3
3.1 Registering a VCA	3
3.2 Conservation and sustainable development.....	4
3.3 Engaging stakeholders to conserve areas.....	5
4. Supporting conservation: VCA Services	6
4.1 Technical support to VCAs.....	6
4.2 Financial advice to VCAs	6
4.3 Growing support to VCAs	7
5. Scaling up the VCA Approach.....	7

1. Introduction

Under the international Strategic Plan for Biodiversity, our governments have committed to conserve 17% of terrestrial areas and 10% of marine areas, and to restore 15% of degraded ecosystems by 2020. Reliance on legally protected areas, however, is insufficient. With the growing human population and its increasing levels of prosperity, the pressures on biodiversity are great. We need to expand our conservation efforts across all parts of the planet, especially to the places where we live and work.

The **Verified Conservation Areas (VCA) Approach** aims to scale up conservation efforts by encouraging new stakeholders to conserve areas and by providing support to their efforts. This includes recognising area-based conservation and enhancing assurance that funding provided to these areas delivers conservation outcomes. The Approach backed by an international multi-stakeholder coalition. For the latest list of VCA Partners, please see <http://v-c-a.org/partners>.

By adopting a standards-based approach to recognising area-based conservation, the VCA Approach aims to establish a **new, investable asset class of natural capital**. VCAs may be used as an assurance mechanism for biodiversity mitigation. They may be used as a way to verify the natural capital enhancement of various land use options - e.g. agriculture, fisheries, forestry, mining, ranching, recreation, or tourism. And they may



be used to enhance the market valuation of the land itself. In all of these cases, as the VCA Approach scales up, there is likely to be an increasing interest in valuing VCAs as natural capital assets and, in this regard, using the **Natural Capital Protocol** as a basis for integrating this asset valuation into investment and corporate decision making.

This short note presents the core elements of an innovative approach to establish a new asset class of natural capital and current plans for scaling up. Once there is a sufficient scale of interest - i.e. a large and diversified listing of VCAs on the VCA Registry - we will be in a position to test methodologies for valuing these assets and integrating these values into market processes.



2 Core features of the VCA Approach

- The VCA Approach recognises and encourages the efforts by committed individuals, communities, local governments, NGOs, and companies to conserve and restore our natural capital.
- It provides a mechanism for innovative conservation initiatives beyond legally protected areas to be recognised, celebrated and supported.
- VCAs enable companies, public agencies, NGOs, foundations, and individuals to invest directly in verified conservation by providing standardised, transparent, monitored, and effective conservation management.
- The VCA Approach enables conservation to be visible and gives assurance that money invested in conservation is well spent.
- It provides transparency and public accountability in recognising management plans, which address the biodiversity mitigation hierarchy - avoid, minimize, restore and offset.



- The VCA Approach establishes a new, international platform for verified sustainable land management which connects to the demands of stakeholders including local communities and public authorities.
- It encourages voluntary social and creates new and exciting opportunities to connect conservation area owners and managers with impact investors and donors.
- VCAs enable governments to reach their marine and terrestrial conservation targets in the support of the Sustainable Development Goals.

3. Encouraging conservation: The VCA Registry

A **Verified Conservation Area (VCA)** is a geographically-defined area which is listed on the VCA Registry and managed to conserve nature and use living natural resources sustainably in the context of sustainable development. VCAs offer an inclusive, visible and accountable way to encourage voluntary commitments to restore, conserve and sustainably manage our planet.

Through listing area-based conservation on the **VCA Registry**, communities, companies and land owners can inform stakeholders of their conservation efforts. Through the public listing of verified management plans and annual performance reports, stakeholders can be assured of the conservation outcomes of VCAs and encouraged to support these efforts.

3.1 Registering a VCA

The VCA Registry is a voluntary, online listing of area-based conservation. It serves as a public platform for recognising voluntary conservation commitments and communicating conservation outcomes.



Step 1: List a VCA

An area can be listed on the VCA Registry either as a Proposed VCA or as a Registered VCA. To list a **Proposed VCA**, the area manager needs to submit:

- A VCA Proposal; and
- A Letter of Support.

In so doing, the manager commits to registering the VCA within two years.

To list a **Registered VCA**, the area manager needs to submit:

- An area-based Conservation Management Plan; and
- An independent Management Plan Audit.



Step 2: Remain listed as a VCA

Once listed as a Registered VCA, in order to remain listed, the area manager must submit annually:

- A Conservation Performance Report; and
- An independent Performance Report Audit.

The **VCA Standard** sets out the process and requirements to list an area on the VCA Registry. The **VCA Toolkit** offers online recommended guidance for area-based conservation management.

For more information, please visit: <http://v-c-a.org/register>.

3.2 Conservation and sustainable development

The VCA Approach used the definition of conservation set out in the game-changing **World Conservation Strategy**. This document, published by IUCN in 1980,¹ introduces the concept of ‘sustainable development’ and linked it directly to ‘living resource conservation.’ Its definition of conservation envisions an inclusive approach to area-based conservation management which communities, companies and other stakeholders:

“Conservation is... the management of human use of the biosphere so that it may yield the greatest sustainable benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations.

Thus conservation is positive, embracing preservation, maintenance, sustainable utilization, restoration, and enhancement of the natural environment...

Conservation, like development, is for people; while development aims to achieve human goals largely through use of the biosphere, conservation aims to achieve them by ensuring that such use can continue. Conservation's concern for maintenance and sustainability is a rational response to the nature of living resources (renewability + destructibility) and also an ethical imperative, expressed in the belief that ‘we have not inherited the earth from our parents, we have borrowed it from our children’...

In the case of sectors (such as agriculture, fisheries, forestry and wildlife) directly responsible for the management of living resources, conservation is that aspect of management which ensures that utilization is sustainable and which safeguards the ecological processes and genetic diversity essential for the maintenance of the resources concerned.

In the case of other sectors (such as health, energy, industry), conservation is that aspect of management which ensures that the fullest sustainable advantage is derived from the living resource base and that activities are so located and conducted that the resource base is maintained.”

¹ See: <https://portals.iucn.org/library/efiles/html/WCS-004/cover.html>.



The definition of conservation is particularly important for VCAs because it makes clear that the sustainable use of living natural resources is integral to conservation. In turn, it is conservation that ensures that development is sustainable.

Today, the critical nexus between conserving ecosystems, using biological resources sustainability and sustainable development is set out in the UN Sustainable Development Goals. In particular, Goal 14 aims to “conserve and sustainably use the oceans, seas and marine resources for sustainable development” and Goal 15 aims to “protect, restore and promote sustainable use of terrestrial ecosystems... and halt and reverse land degradation and halt biodiversity loss.”

The VCA Approach aims to encourage and support social action to conserve marine and terrestrial ecosystems for sustainable development. In so doing, it aims to protect, restore and enhance natural capital through responsible management and sustainable use.

3.3 Engaging stakeholders to conserve areas

The VCA Approach is creating a new social network of stakeholders who are caring for our planet by visibly conserving areas and supporting these areas. It includes small NGOs seeking funds for their local conservation efforts, local communities seeking recognition of their conservation actions, companies mitigating their biodiversity impacts, impact investors seeking growth in natural capital and governments striving to end the loss of biodiversity.

Most importantly, the VCA Approach recognises social action to conserve areas. A VCA can be supplied by any individual, community, non-profit organisation, private company, or public authority. VCA registrations can come from the private, non-profit and public sectors:

Private Sector Suppliers	Non-Profit Suppliers	Public Sector Suppliers
Cooperatives	Local & indigenous communities	Local & provincial land authorities
Individual land owners	Community-based organisations	Natural-resource authorities
Land trusts	NGOs	Protected area authorities
Green developers	Private foundations	Central governments
Property-management companies	Academic institutions	Regional governmental structures
Corporate land owners	Faith-based organisations	Intergovernmental organisations

The social benefits of the VCA Approach include the following:

- **Enables many new stakeholders to contribute to conservation**

Many individuals, communities and businesses want to contribute more to conserving our planet in the areas in which they live and work. The VCA



Registry provides a transparent platform for demonstrating voluntary action for conservation.

- **Provides accountability and transparency to conservation efforts**
Through the posting of management plans, annual performance reports and audits on the VCA Registry, stakeholders have assurance of conservation efforts and outcomes. This facilitates public recognition and support for VCAs.
- **Enhances marketability and access to funding**

VCAs deliver verifiable, transparent area-based conservation which can help to secure various types of funding - government support, private grants, impact investments, and the sale of VCA-generated goods and services. The VCA Approach offers area managers a standardised way to present their conservation efforts to potential donors, investors and buyers.

For more information, please visit <http://v-c-a.org/faqs>.

4. Supporting conservation: VCA Services

The VCA Approach is establishing a new 'asset class' of natural capital which needs to be secured, protected and enhanced. Many areas will require some level of support to be registered as VCAs or to remain registered as VCAs. In most cases, the support needed will either be technical or financial. To scale up the VCA Approach, the VCA team needs a resourced capacity to support VCAs.

4.1 Technical support to VCAs

Many area managers need help in developing an area-based conservation management plan. To comply with the VCA requirements, they must also have this plan audited by an independent, VCA-approved auditor. As well, once registered, they may need help in implementing a programme of conservation actions, monitoring these actions and preparing the annual conservation performance reports required to maintain VCA registration.



In order to scale up VCA registrations, especially in the early years, the VCA team needs to have the capacity to provide technical support to planning, reporting and auditing. In some cases, the area managers may be able to pay for this support. In other cases, especially with local efforts in developing countries, technical support from the VCA team will require grant funding.

4.2 Financial advice to VCAs

Some VCAs will require external financing for conservation activities including management planning, implementation of a management plan, reporting and auditing. The type of financing available to cover the cost of these activities will depend on the 'business model' for the VCA. The area could be a non-commercial conserved area, a commercial productive area, or have a mix of non-commercial and commercial uses.



Some VCAs may require grant financing which would not require repayment of the funds but would require conservation performance. Others may require 'impact investment' financing which requires repayment plus a return along with conservation performance.

In order to scale up VCA registrations, especially in the early years, the VCA team needs to have the capacity to provide financial advice regarding sustainable business model and fundraising strategies. In some cases, the area managers may be able to pay for such financial services. In other cases, especially with local efforts in developing countries, financial advice from the VCA team will require grant funding.

4.3 Growing support to VCAs

As the VCA Approach scales up and there as an increasing number of VCAs to support, the VCA team will be able develop new capacities and structures to support VCAs and enhance their conservation performance. These could include the following:

- **VCA Planning Services:** A dedicated technical assistance unit to assist VCAs with conservation planning, action and reporting
- **VCA Performance Fund:** One or more funds to channel investment and grant financing to VCAs based on the delivery of agreed conservation performance targets and actions
- **VCA Maintenance and Emergency Fund:** A fund dedicated to ensuring ongoing financing and financing in times of need
- **VCA Crowdfunding Campaigns:** Raise funds from the public for both philanthropic and commercial support

Importantly, for the sustainability of the VCA Approach, funds raised for the provision of technical and financial services will help to cover operating costs, including the costs of managing the VCA Registry.

5. Scaling up the VCA Approach

The focus now is on mobilising support for the the VCA Approach to scale up and develop. In so doing, we aim to will recognise and support broad, inclusive, voluntary social action to conserve our planet. Our aim, over the next three year, is to secure 3 million hectares through verified conservation and facilitate €15 million of new financing through 60 new VCAs.

Key activities will include the following:

- **Operationalise the VCA Approach**
 - Set up VCA Secretariat operations
 - Build and collaborate with the VCA Coalition
 - Strengthen governance by the VCA Board
 - Establish the VCA Standard Advisory Committee
 - Continually improve the VCA website and databases
 - Continually improve the VCA Standard and Toolkit



- **Scale up VCA registrations**
 - Work with VCA Coalition members to list areas
 - Securing funding for targeted VCA registration projects
 - Register at least 60 new VCAs in 3 years
 - Register 3 million hectares in 3 years
 - Grow the list of approved VCA Auditors

- **Provide support to VCAs**
 - Assist VCAs, where feasible with management planning and reporting
 - Assist VCAs, where feasible, with funding - grants, investments and sales
 - Secure funding for targeted VCA support projects
 - Develop capacities for impact investment and crowd funding
 - Provide technical and financial services to at least 30 VCAs
 - Facilitate €15 million of funding for VCA in 3 years

- **Build public recognition of VCAs**
 - Grow an inclusive sharing/learning culture among VCAs
 - Produce articles, videos, webinars, and other media on VCAs
 - Maintain a sustained social media campaign
 - Engage in key policy processes, e.g. CBD, Ramsar and UNCCD
 - Join key coalitions, e.g. BBOP, IUCN Commissions and NCC

Over the 3-year period we will also test the ability to maintain the VCA Registry system as a public good in a cost-effective manner. And we will assess the possibility of covering these costs from revenues earned from providing services to these natural capital assets.

Importantly, as the number and diversity of VCAs grows, we will also be able to test the ability to value these natural capital assets and to integrate these valuations into investment and corporate decision making.