Climate Change in USAID Strategies

A Mandatory Reference for ADS Chapter 201

New Edition Date: 10/01/2015
Responsible Office: GC/A&A
File Name: 201mat_100115

Table of Contents

EXECUTIVE SUMMARY 3

1. AN OVERVIEW OF CLIMATE RISK MANAGEMENT 6

2. CLIMATE RISK MANAGEMENT THROUGHOUT THE PROGRAM CYCLE 7

Resources and Support 9

3. CLIMATE RISK MANAGEMENT IN USAID STRATEGIES 11

Phases 1 & 2: Initial Consultations and Results Framework Development 12

Prior to Phase 1: Prepare for Climate Risk Screening 12

Phase 1 Digital Video Conference (DVC) 14

Phase 2: Incorporate Screening Results into the Strategy 14

Phase 3: R/CDCS Preparation, Review, and Approval 15

Climate Change Annex 15

4. ADDRESSING CLIMATE RISK BEYOND THE STRATEGY 16

5. CLIMATE CHANGE MITIGATION IN THE STRATEGY 16

6. ADDITIONAL REQUIREMENTS FOR MISSIONS RECEIVING GCC FUNDS 17

APPENDIX A: Climate Change Annex Template 18

Part I: Climate Risk 18

Part II: Greenhouse Gas Mitigation 20

Part III: Additional Requirements for Missions Receiving GCC Funds 21

This document describes the process through which climate change risks should be screened and addressed as well as considerations for climate change mitigation in USAID Strategies. [1]

EXECUTIVE SUMMARY

Climate variability and change[2] is a cross-cutting issue that can undermine development progress and increase risk and insecurity throughout developing countries. For example, increases in temperature and changes in precipitation patterns can significantly affect crop yields from rain-fed agriculture, with subsequent impacts on food security and livelihoods. Changes in temperature and precipitation can shift the geographic range and incidence of vector-borne diseases. Sea level rise and storm surge can harm vital coastal ecosystems, infrastructure, and settlements. The impacts of climate change can also compound pre-existing and overlapping social, political, and economic stresses. At the same time, climate change challenges offer important opportunities and incentives to take actions that contribute to development. By considering climate risks and opportunities at the strategy, project and/or activity level as part of the planning and design process, USAID can increase the sustainability and impact of its investments. Furthermore, low emissions development provides an opportunity for developing countries to reach their social and economic development goals while reducing the greenhouse gas (GHG) emissions that cause climate change.

The 2015 Quadrennial Diplomacy and Development Review (QDDR),[3] commits USAID to "accelerate the integration of climate change mitigation and resilience throughout our policy, programming, and operations," in particular through "the development of systems to assess and adjust for climate change impacts in compliance with Executive Order (EO) 13677 on Climate-Resilient International Development." [4] This document describes requirements for climate risk screening and consideration of climate change mitigation at the strategy level, both of which constitute an important component of USAID's implementation of the 2015 QDDR and EO 13677. A Mandatory Reference on Climate Risk Management at the Project and Activity Level will be issued in FY 2016.

Since January 2012, USAID Missions, regardless of whether they have received or are projected to receive Global Climate Change (GCC) funds, have been required by the Automated Directives System (ADS), through the Country Development Cooperation

[1] For this purpose, strategies include Country Development Cooperation Strategies, Regional Development Cooperation Strategies, Mission strategies, country strategies, or equivalent. Climate risk screening guidelines for Agency-wide policies and strategies will be addressed in forthcoming guidance from PPL.

[2] In this document, the term "climate change" refers to both climate variability and climate change. "Climate variability" refers to variations in climate (including the normal highs and lows, wet and dry periods, hot and cool period, and extreme values) and can refer to day-to-day variability, year-to-year variability, and even decadal scale variability. In this document, "climate change" refers to those variations as well as persistent change in climate over decades or longer [USAID, 2014. Climate-Resilient Development: A Framework for Understanding and Addressing Climate Change.]

[3] http://www.state.gov/documents/organization/241429.pdf

[4] http://www.gpo.gov/fdsys/pkg/DCPD-201400695/pdf/DCPD-201400695.pdf

Strategies (CDCS) Supplemental Guidance for Integrating Global Climate Change, to fully consider climate change resilience and mitigation during the country/regional-level strategic planning process. This Mandatory Reference therefore maintains and updates the guidance for compliance with those climate change requirements and replaces the CDCS Supplemental Guidance for Integrating Global Climate Change.

USAID Strategies

Effective October 1, 2015, climate risk screening is required as part of the development of all new USAID strategies, including Country Development Cooperation Strategies (CDCSs), Regional Development Cooperation Strategies (RDCSs), Mission strategies, country strategies, or equivalent. Climate risk screening uses climate information to broadly characterize current and future climate risks and opportunities early in the decision-making process. Identifying climate change risks early will inform the strategies and also help determine where risk is the highest, thus enabling USAID to incorporate adaptation measures as appropriate at the strategy, project and/or activity levels. Through climate risk screening, the Mission, with support from the Bureau for Economic Growth, Education and Environment, Office of Global Climate Change (E3/GCC) or other technical or regional bureau experts if desired, will use climate information and technical judgment to qualitatively categorize climate risk to the Mission's work as low, moderate, or high for each sector, Development Objective (DO), and/or Intermediate Result (IR). For areas of moderate to high risk, the Mission must address the risk by: using climate information to inform the overall direction of the strategy; using climate information to inform more detailed programmatic approaches; and/or accepting the risk upon consideration of tradeoffs and how USAID can best achieve its development objectives.

Climate risk screening at the strategy level entails four basic steps:

- *Review the* ***country or regional climate information factsheet*** *and, as available, other climate information such as existing analyses.* The factsheet provides a summary of current and projected climate conditions for the country or region.

- *Conduct screening.* To support screening, USAID has developed a climate risk screening tool (**https://programnet.usaid.gov/library/climate-risk-screening-tool**) that will help staff consider potential climate impacts in each of the sectors in which USAID works. Other climate screening tools are also available. Alternatively, the Mission may request that the initial screening be conducted by USAID/Washington. Or, the Mission may decide that an existing climate change analysis is sufficient or choose to contract out the climate risk screening.

- *Incorporate findings into development of the strategy.* Missions should incorporate a discussion of current and future climate risks to the sectors and geographies in which the Mission is working. The development hypothesis and results framework should take into account the results of the climate risk

screening. Consideration of climate change risks should also be incorporated elsewhere in the strategy, as appropriate.

- *In the Climate Change Annex, document climate risks and how they are addressed in the strategy.* Missions are required to document the level of climate risk of each DO or IR, how the moderate or high risk was addressed in the strategy, and next steps.

Mitigation

Consistent with the previous CDCS Supplemental Guidance for Integrating Global Climate Change, all Missions are required to consider climate change mitigation,[5] regardless of whether or not the Mission receives GCC funding. Answers to questions on GHG emissions and mitigation *must* be documented in the Climate Change Annex and reflected in the strategy in some way. **Country and regional emissions factsheets** provided by the Bureau for Economic Growth, Education and Environment (E3) or other reliable sources will help Missions answer the questions.

Missions with Global Climate Change (GCC) Funds

USAID Missions, regardless of whether they have received or are projected to receive Global Climate Change (GCC) funds, are required to fully consider climate change resilience and mitigation during the country or regional-level strategic planning process. Additional requirements for Missions receiving or planning to request GCC – Clean Energy, GCC – Sustainable Landscapes, or GCC – Adaptation funds appear in Appendix A, Part 3 of this document.

Project Design & Implementation

Starting October 1, 2016 (FY 2017), USAID will begin applying climate risk management practices to *all* new projects and activities, with limited exceptions. Projects and activities that are implemented on an emergency basis, e.g., humanitarian assistance, will be exempt from climate risk management. Further guidance will be provided on this phase of implementation in a subsequent Mandatory Reference.

Agency Policies

Agency policies should consider climate change vulnerability if climate change is a significant factor in the relevant sector. Forthcoming Agency guidance on drafting policies will take this into consideration.

[5] The goal of climate change mitigation is to reduce GHG emissions.

1. AN OVERVIEW OF CLIMATE RISK MANAGEMENT

Climate risk management is the process of assessing, addressing, and adaptively managing for climate risk. By using climate risk analyses to inform decision-making at the strategy, project, and/or activity-level, USAID is better able to manage climate risk. USAID's mission is to end extreme poverty and to promote resilient, democratic societies while advancing our security and prosperity. This requires working in areas that are being impacted and/or will be impacted by climate change because in many cases, climate risk may exacerbate development needs. The goal of climate risk management is to render USAID's work more resilient to climate change risks and to avoid maladaptation—development efforts that inadvertently increase climate risk.

Climate risk screening is an important first step in climate risk management. It consists of broad consideration of current and future climate risks and opportunities early in the development decision-making process. Screening helps flag and prioritize risks that should be considered in order to promote resilient development and ensure the effectiveness of USAID program investments. Screening also identifies elements that may require a more in-depth assessment or measures, particularly when designing projects and activities. Thus, climate risk screening is not meant to be a full climate vulnerability assessment, but it can help identify when more in-depth assessments are needed. It can also help determine what such an assessment should focus on and which methodologies may be most appropriate.

Once moderate to high climate risk has been identified, it must be addressed by:

1) Using climate information to shift the overall direction of the strategy (i.e., programmatic areas of focus),

2) Using climate information to inform more detailed programmatic approaches (i.e., at the project or activity level), or

3) Accepting the risk upon consideration of tradeoffs and how USAID can best achieve its development objectives.

An important aspect of climate risk management is planning for uncertainty through robust decision-making and adaptive management. This involves programming for a range of possible future climate scenarios and building in flexibility to iteratively adjust and adapt.

2. CLIMATE RISK MANAGEMENT THROUGHOUT THE PROGRAM CYCLE

Agency policies are a key entry point for considering climate change as a cross-cutting issue in USAID's international development work. In cases where significant climate change impacts are expected in sectors relevant to the policy or there are significant opportunities to reduce GHG emissions, an effort should be made to integrate climate change considerations into the policy. Forthcoming Agency guidance on drafting policies will take this into consideration.

Figure 1 provides a brief summary of the process for climate risk management at the strategy level and beyond.

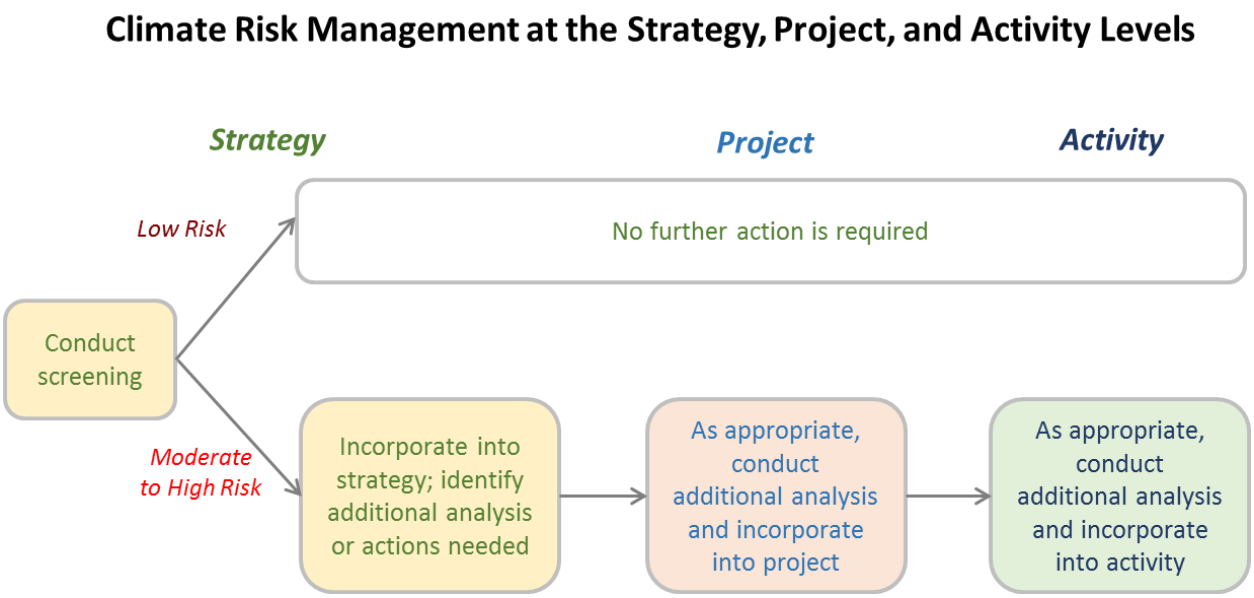

Figure 1. Summary of climate risk management at the strategy, project, and activity levels. The climate risk screening process in the strategy helps determine where further attention to climate change is warranted throughout the Program Cycle.

Climate risk screening at an early stage of the strategy development process can help to guide strategy formulation (see Section 3 for more detail) as well as subsequent decisions about how to address climate risk, by identifying the sectors and areas where climate risk is most relevant (see Section 4 for more detail).

Identifying the relevant timeframe of the decisions will be an important part of this climate screening process. In general, the period over which development efforts are expected to confer benefits should define the timeframe for the climate information. Keep in mind that while the R/CDCS is usually a five-year strategy, the R/CDCS may

also outline the longer-term vision, i.e., the developmental trajectory (10-15 years, or longer).

Through climate risk screening, the Mission will use climate information and technical judgment to qualitatively categorize climate risk to the Mission's activities as low, moderate, or high for each sector, DO, and/or IR. Missions have the discretion to identify an entire DO or individual IRs as low, moderate, or high risk.

- *Low climate risk* is unlikely to significantly impact achievement of development outcomes relative to other stressors and development challenges. For example, slight increases in temperature and precipitation in a country may pose low risk to the achievement of improved educational performance.

- *Moderate or high climate risk* indicates that climate change is likely or highly likely to significantly impact achievement of development outcomes. For example, health efforts in a country that is expected to face increasingly severe and frequent storms and changing precipitation patterns might be designated moderate risk due to the need to account for changes in disease vector habitat and the location of affected populations. Efforts to provide electricity associated with hydropower facilities in a region that is projected to have significantly altered streamflow regimes due to changes in precipitation or glacial melt patterns might be designated high risk. Efforts to promote coffee production in a geographic area that is expected to be less suitable for coffee in the future due to higher temperatures might also be designated high risk.

Resources and Support

USAID has developed a climate risk screening tool (**https://programnet.usaid.gov/library/climate-risk-screening-tool**) that will help staff consider potential climate impacts in each of the sectors in which USAID works. The climate screening tool provides a systematic way to identify the relevant sectors, regions, and timeframes for analysis and then analyze potential climate change impacts, adaptive capacity, and potential opportunities. It consists of guiding questions that are meant to stimulate the Mission's thinking about potential climate risks as well as opportunities that may arise under changing climate conditions. By capturing the answers to those questions in a spreadsheet, the Mission produces a summary of the identified risks, which can be attached to the climate change annex. The process can be completed in as little as half a day, though some Missions will want to devote more time to the analysis.

Washington-based climate change risk management facilitators are available to provide virtual support throughout the strategy development process. Contact **climatechange@usaid.gov** to be connected with a climate change facilitator.

In addition, the following **resources** are available:

- Country/region-specific climate information factsheets on current and projected climate conditions, and
- Country/region-specific GHG emissions factsheets.

The only other resources that Missions need to provide for the climate risk screening process is the time of Mission staff. Missions may choose to engage technical experts from pillar bureaus or additional local resources, including climate-related information and experts, in order to enrich their analysis.

Keep in mind that the risk categories vary by context and there are no defined thresholds between categories. As a result, the low, moderate, or high ratings *must* be supported by some documentation of how they were assigned in the climate risk screening annex.

The level of climate risk identified by the screening will determine further steps the Missions should take to address that risk:

- **Low Climate Risk:** The Mission is not required to incorporate specific plans in the strategy to address climate risk for DOs or IRs that have low risk. The Mission can consider monitoring those DOs and IRs for potential future climate risk throughout the Program Cycle, as appropriate.

- **Moderate to High Climate Risk:** Moderate to high climate risk *must* be considered and addressed as the Mission deems appropriate based on its technical judgment. Climate risk might inform the overall direction of the

strategy (i.e., programmatic areas of focus) or it might inform more detailed programmatic approaches (i.e., at the project or activity level). Consideration of tradeoffs and how USAID can best promote resilient development progress should inform the Mission's decision. In some cases, after weighing the tradeoffs, the Mission may decide to accept the risk.

Performing climate change risk assessments at the appropriate stage in the Program Cycle will help ensure that the assessments can provide the level of detail needed to adequately inform the strategies, projects, or activities (see Figure 2). Full vulnerability assessments at the strategy level are not required. In many cases, more detailed analysis will be more appropriate as input into the project or activity design process. Similarly, while the strategy development provides an opportunity to plan at a high level, often project (as described in the Project Appraisal Document (PAD)) and activity design will provide a better opportunity to directly address climate risk. If the PAD does not contain the level of detail necessary to appropriately assess climate risk, further climate risk assessment should be deferred to the activity level as appropriate. Incorporating climate change into monitoring and evaluation, which is encouraged, can occur at the strategy, project, and activity levels.

Beginning October 1, 2016, new projects that do not fall under a R/CDCS or other strategy that has been screened for climate risk *must* be screened. If low risk is identified from the project-level screening, no further action is expected. Forthcoming guidance will clarify the requirements for activities that do not fall under a strategy or project that has been screened for climate risk and for high/moderate risk projects and activities. Operating Units are encouraged but not required to apply climate risk management to projects and activities prior to October 2016.

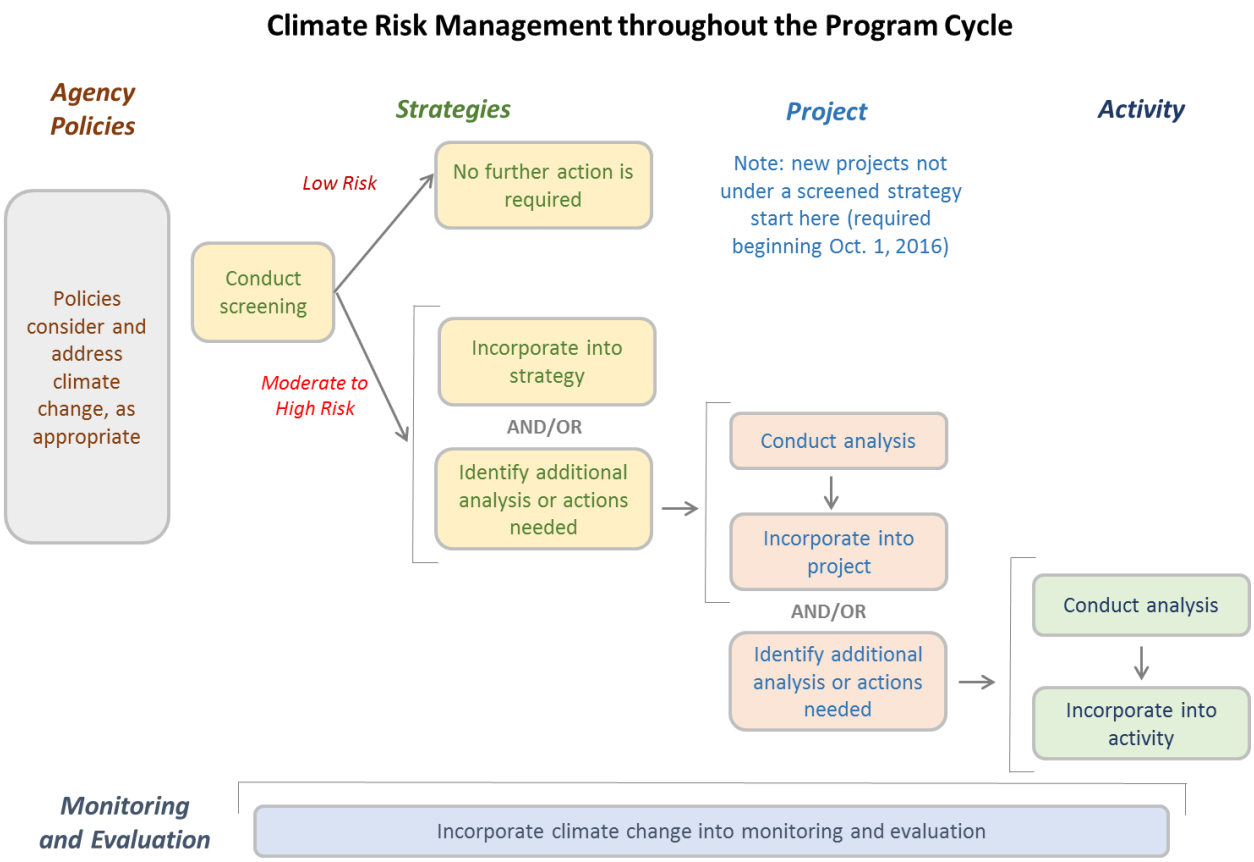

Figure 2. Climate risk management throughout the Program Cycle.

3. CLIMATE RISK MANAGEMENT IN USAID STRATEGIES

Climate risk management at the strategy level involves four basic steps:

1. Review the country/region-specific **climate information factsheet** and, as available, other climate information such as existing analyses.
2. Conduct screening.
3. Incorporate findings into development of the strategy.
4. In the climate change annex, document the climate risks identified, how moderate or high risks are addressed in the strategy, and next steps.

These steps are integrated into the three phases for R/CDCS development as outlined in **ADS 201** and detailed below. Figure 3 provides a detailed summary of the process to integrate climate risk management into the R/CDCS development.

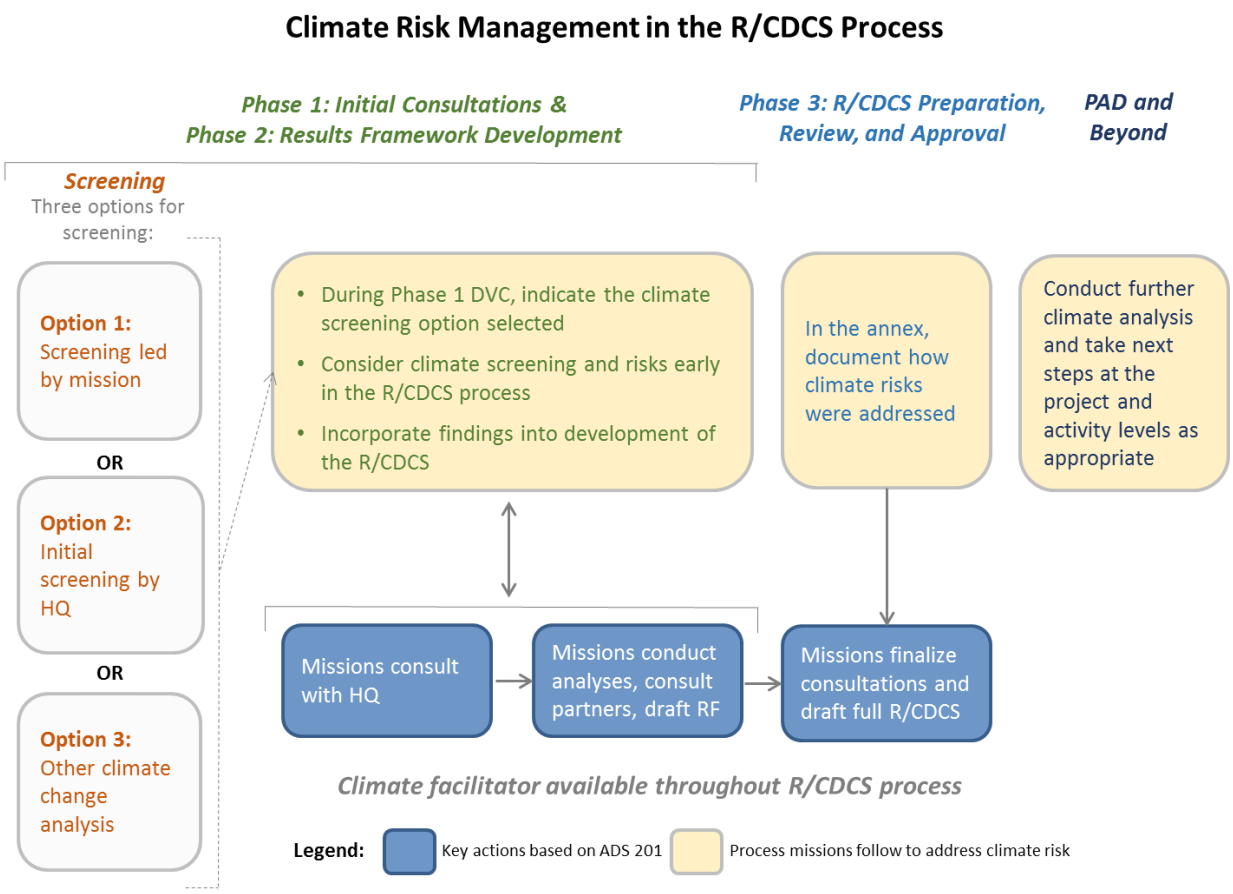

Figure 3. Detailed summary of climate risk management in the R/CDCS process.

Phases 1 & 2: Initial Consultations and Results Framework Development

Prior to Phase 1: Prepare for Climate Risk Screening

In preparation for integrating climate change into the R/CDCS process, the Mission is encouraged to review the country/region-specific **climate information factsheet** and to consult with a climate facilitator (either local or Washington-based). Contact **climatechange@usaid.gov** to be connected with a climate change facilitator. The Mission and/or the facilitator are also encouraged to seek input from sector and other technical experts. The Mission may also want to use climate information beyond the factsheet such as climate risk analyses conducted by host-country governments and other donors; it is encouraged to gather these resources early in the process.

The Mission should consider one of these three options for climate risk screening:

1. *Option 1*: **Climate screening conducted by Mission.** The Mission can use a climate risk screening tool, such as the one developed by USAID, to identify how

the sectors and geographies in which the Mission is planning to work may be at risk to climate change over the relevant timeframes. With the USAID-developed tool (**https://programnet.usaid.gov/library/climate-risk-screening-tool**), a facilitator will walk Mission staff through the tool, often in a workshop setting; Washington-based climate facilitators are available to provide support. Participation by the program office and each of the technical units is strongly encouraged. If deemed expeditious, the climate facilitator may also work directly with Mission staff one-on-one to complete the screening. This process will likely require half a day or more. Because this option engages Mission staff, the Mission will build greater capacity to identify and address the climate risks than if a screening analysis is completed by a third party.

2. *Option 2*: **Initial climate screening by USAID/Washington.** If the Mission prefers, a Washington-based climate facilitator will use the tool (**https://programnet.usaid.gov/library/climate-risk-screening-tool**) to conduct an initial screening on its behalf. This option may be expeditious in the near-term, but does not fully benefit from the Mission's understanding of its context and the work it is doing, and does not enhance capacity and uptake for climate risk management within the Mission. This analysis will screen sectors that the Mission will likely be working in, based on anticipated funding streams and/or knowledge of the Mission's initial plans and programming. Mission consultation with the climate change facilitator to discuss and finalize the output of the initial screening analysis and update as appropriate is required.

3. *Option 3*: **Other climate change analysis.** The Mission may commission an external climate screening or use an existing climate vulnerability or risk analysis of similar rigor, including analysis conducted by other donors, local universities, non-governmental organizations, or similar entities. The Mission should determine if the existing climate vulnerability or risk analysis is sufficient for informing USAID strategic planning based on how up-to-date the climate information is and whether it addresses the sectors and geographies in which the Mission plans to work. Mission consultation with the climate change facilitator to discuss the adequacy and appropriateness of the analysis is required.

Climate risk screening is an iterative process. It should be conducted early in the R/CDCS process in order to ensure risks are considered in the initial consultations, the development of the Results Framework (RF), and the development of the full R/CDCS. If the Mission holds an initial retreat at the beginning of the R/CDCS process, this is an ideal time to review the **climate information factsheet** and/or conduct the screening. However, the Mission should only conduct the screening once it has an initial understanding of the sectors and geographies that will be included in its strategy so that the Mission can effectively target the screening to inform programming. In some cases, the best way to manage climate risk may be to shift the sectors and/or geographies, which is why screening early will be advantageous. In many cases, addressing climate risk will entail more detailed programmatic choices. Starting with an understanding of the work the Mission is likely to do will help ensure the screening can inform those

decisions. Revisiting the screening throughout the R/CDCS process and doing more in-depth analysis in cases of high or moderate risk will further contribute to those more detailed decisions. The timing of the screening is a bit of a balancing act—it should be early enough that there is still flexibility in programming decisions, but late enough that Mission has some understanding of the sectors and geographies it plans to work in.

Consultations with potential partners and stakeholders can help ensure the screening and resilience strategies reflect the country context. Missions should ensure that partners and stakeholders relevant to climate change issues are included in the consultation process. One potentially important contact on climate change is the "National Focal Point."[6] Discussions of climate risks with stakeholders who may be less familiar with climate change may also be valuable both to get their input and to assess how well they understand and are able to manage climate risk. In addition, Missions should identify and link to host country national climate change strategies.

Phase 1 Digital Video Conference (DVC)

During the Phase 1 DVC, the Mission must indicate the option it has selected to screen for climate risk and when the screening will occur (if it has not done so prior to the DVC). The Mission is encouraged to raise any questions, requests for additional support, or concerns about climate risk during the first DVC.

Phase 2: Incorporate Screening Results into the Strategy

All Missions should carefully consider addressing climate risks during strategy development. Understanding the level and characteristics of climate risk can help guide planning and inform the types of action that could be taken to address that risk. Risk can be lowered by reducing potential climate change impact and enhancing adaptive capacity.

Remember that according to the ADS, "the CDCS must explain relevant critical assumptions and 'game changing' scenarios and assess risks associated with its successful achievement." Climate change may often present these types of "game changing" scenarios and risk factors and, thus, should be carefully considered.

During the Phase 2 DVC, Missions should be prepared to discuss the results of the screening and how it was incorporated into the development of the strategy. *Commenters may raise a significant issue if risk screening has not been conducted or if identified risks are not accepted or addressed in some way.* Standard R/CDCS processes will be used to adjudicate this process.

[6] Each country that is a Party to the United Nations Framework Convention on Climate Change (UNFCCC) is required to have a National Focal Point for their interactions with the Convention. The National Focal Point is usually a person sitting in a relevant national office or ministry (Environment, Meteorology, etc.). To find a country's National Focal Point, see: http://maindb.unfccc.int/public/nfp.pl.

Phase 3: R/CDCS Preparation, Review, and Approval

Missions should incorporate climate change risk considerations throughout the R/CDCS document.

Development Context, Challenges and Opportunities – Missions should incorporate a discussion of the extent to which climate change has, in the recent past, already affected sectors and geographies in which the Mission is working. Missions should consider describing how the sectors and populations have responded. Missions should also incorporate a discussion of future risks from climate change identified in the screening analysis.

Development Hypothesis and Strategy – The development hypothesis and strategy should take into account the results of the screening in the results statements and accompanying narrative. Additionally, the narrative should cite evidence (e.g., assessments, stakeholder consultations) that support causal linkages. The **GCC Pillar strategies** may be helpful to Missions that want to incorporate climate change adaptation and resilience into a DO, IR, or sub-IR or accompanying narrative. It also provides illustrative activities.

Monitoring, Evaluation, and Learning – All Missions should consider opportunities to incorporate climate risk and climate change resilience considerations into the learning plan developed for the R/CDCS (see the **GCC Standard Indicators: https://pages.usaid.gov/E3/GCC/gcc-indicators**) for some initial ideas). Monitoring and evaluation can also contribute to continuous learning and improvement of climate resilient strategies. Keep in mind that monitoring and evaluation and adaptive management helps with planning for climate uncertainty.

During the Phase 3 DVC, Missions should be prepared to discuss how climate change has been incorporated throughout the R/CDCS, including the climate change annex. *Commenters may raise a significant issue and clearances for approval can be delayed if risk screening has not been conducted or if identified risks are not accepted or addressed in some way. The* Standard R/CDCS processes will be used to adjudicate this process.

Climate Change Annex

The Mission must document in the Climate Change annex the climate risks identified and how climate change was considered in the strategy. The Template for the Climate Change Annex (Appendix A) allows the Mission to document the level of climate risk of each DO or IR, how the moderate or high risk was addressed in the strategy, and next steps.

4. ADDRESSING CLIMATE RISK BEYOND THE STRATEGY

In most cases, addressing moderate to high climate risk will warrant additional actions at the project and/or activity level (see Section 2 and Figure 2). These might include conducting more detailed climate risk analysis; taking programmatic measures to address climate risk such as decisions to shift the region, focus, or sector; and/or making decisions to adjust or supplement their projects and activities to lessen climate risk. Further guidance on conducting climate risk assessments and addressing climate risk at the project and activity level is forthcoming.

The Mission is also encouraged to incorporate climate change into monitoring and evaluation throughout the Program Cycle. Doing so is important for metrics reported to the UNFCCC, such as amount of climate finance mobilized. Tracking climate change results also fosters continuous learning and improvement of climate resilient strategies, project design, and implementation. This may include monitoring the context and assumptions related to climate change in the strategy; adjusting performance indicator targets based on expected climate change impacts, stresses and related actions; and measuring the benefits of taking action to reduce climate change impacts and/or increase adaptive capacity.

5. CLIMATE CHANGE MITIGATION IN THE STRATEGY

Preventing dangerous anthropogenic interference with the global climate system requires efforts to reduce GHG emissions by both developed and developing countries. In order to help developing countries reduce their GHG emissions compared to business as usual (BAU),[7] Missions should ensure that their portfolios contribute to reduced GHG emissions where they can.

Consistent with the previous CDCS Supplemental Guidance for Integrating Global Climate Change, all Missions are required to document their consideration of the following questions on climate change mitigation, regardless of whether or not the Mission receives GCC funding. *Answers to the following questions on GHG emissions and mitigation must be documented in the Climate Change Annex and reflected in the strategy in some way.* The **country/region emissions factsheet** will help the Mission answer the questions. Consideration of these questions early in the development of the

[7] Emissions in most developing countries are expected to continue to increase if development continues under BAU circumstances. Reducing emissions compared to BAU does not entail slowing or halting development or economic growth, but reducing emissions compared to what would have happened if current policies and technologies supporting development are to continue.

R/CDCS will inform the strategy and enable incorporation of climate change mitigation considerations throughout the R/CDCS. Climate change mitigation should also be addressed during consultations with partners and stakeholders.

Context

- What are the major sources and sinks[8] of GHG emissions (e.g., personal cars, power plants, landfills, industry, agriculture sector, deforestation, etc.)?
- How has the distribution and composition of the GHG emissions profile changed over time historically and how is the profile expected to change in the future considering the major emitting sectors and/or sources?
- How are the sectors and sources that contribute to GHG emissions contributing to the growth and development of the economy and to meeting development objectives?
- What climate change mitigation or low emissions development plans, targets, commitments, and priorities has the government (national, state and local) articulated?

Relevance to USAID programming

- Which of these sectors is USAID planning to program in?
- What opportunities exist to reduce net GHG emissions in those sectors?
- What opportunities exist to reduce net emissions associated with USAID activities?

6. ADDITIONAL REQUIREMENTS FOR MISSIONS RECEIVING GCC FUNDS

Consistent with the previous CDCS Supplemental Guidance for Integrating Global Climate Change, the following requirements apply only to those Missions receiving focused global climate change initiative funds (i.e., clean energy, sustainable landscapes or adaptation funds).

Missions receiving GCC funds must consider climate change at the strategy level so that clean energy and/or sustainable landscapes programming will contribute to transformational changes that lead to better development and strong economic growth while contributing to national-scale GHG emission reductions; and so that adaptation programming targets key development priorities that are vulnerable to climate change. Answering the questions in the Template for the Climate Change Annex will assist Missions to consider government development priorities and utilize available information and analyses to strategically address the causes and the impacts of climate change in their strategy.

[8] Efforts that remove GHG emissions from the atmosphere, e.g., reforestation.

APPENDIX A: Climate Change Annex Template

Missions *must* complete the following template to document how climate change was considered and addressed in the strategy and attach it as an annex to the strategy. It also begins to outline what next steps, if any, may be needed to address climate risk in projects and activities. The annex covers both climate risk and GHG mitigation.

Part I: Climate Risk

1. **Document the method for climate risk screening.** Describe the option the Mission used to screen for climate risk (i.e., use of the USAID screening tool (**https://programnet.usaid.gov/library/climate-risk-screening-tool**), screening conducted by USAID/Washington, use of another climate screening tool, use of existing country-level analysis, or another approach). List the source(s) of climate information.

2. **Attach the output of the risk screening analysis to the annex.**
   We recommend attaching the complete results so that you can easily refer back to your screening results throughout the Program Cycle. Sectors of low risk to climate variability and change should be also documented.

3. **Document how climate risk is addressed in the strategy**, and if appropriate, **how it will be addressed at the PAD and/or activity levels, and remaining risks.** Use the template on the next page to document climate risk for each DO, including low risk DOs. The documentation may be completed at the IR level, if desired. Categories of “low,” “moderate,” and “high” risk are based on expert judgment and should be supported by the climate risk screening analysis. For DOs or IRs that have low risk, you are not expected to complete the columns “Integration into strategy” and “Next Steps.”

Development Objective or Intermediate Result	**Risk of DO, IR, or supporting sectors** *Based on the screening, rate the potential impact of each DO, IR, or supporting sector(s) as high, moderate, or low and describe the adaptive capacity (for moderate/high risk if known). Indicate the decision timeframe applied in the analysis.*	**Integration into strategy (not required for low risk)** *How does the strategy address the risks? Reference the page number in the strategy. Note in particular if a Goal, the DO, or an IR or sub-IR specifically addresses the risks.*	**Next steps (not required for low risk)** *Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the PAD and/or mechanism levels to address the risks?*	**Accepted risks** *What climate risks does the Mission accept? Why?*
Example: Morbidity and mortality related to malaria is reduced	*Example: Potential impact to health sector: HIGH. Adaptive capacity of health sector: LOW. Timeframe: 0-5 years. Refer to screening output for details.*	*Example: Incorporate capacity building for health workers to recognize and address climate change impacts to health (pp X).*	*Example: Further information related to how climate change is expected to impact malaria prevalence in region X will be sought prior to project design. The Mission will continue to monitor the impact of changing temperature and precipitation patterns on the prevalence of malaria.*	*Example: Populations with weakened immune systems from public health issues besides malaria may have reduced capacity to physically cope with impacts from changing climate conditions.*

Part II: Greenhouse Gas Mitigation

What are the major sources of GHG emissions (e.g., personal cars, power plants, landfills, industry, agriculture sector, deforestation, etc.)? How has the distribution and composition of the GHG emissions profile changed over time historically and how is the profile expected to change in the future considering the major emitting sectors and/or sources? How are the sectors and sources that contribute to GHG emissions contributing to the growth and development of the economy and to meeting development objectives? What climate change mitigation or low emissions development plans, targets, commitments, and priorities has the government (national, state and local) articulated?	*Example: Small-scale agriculture contributes 20% of national GHG emissions.*
Which of these sectors is USAID planning to program in? What opportunities exist to reduce emissions in those sectors? What opportunities exist to reduce emissions associated with USAID activities?	*Example: The Food Security DO will promote more sustainable agricultural practices in targeted regions to enable small-scale farmers to use same parcels of land, continuously eliminating need to clear additional land due to land degradation.*
Does the strategy incorporate ways to reduce GHG? Reference the page number in the strategy. Note in particular if a Goal, the DO, or an IR or sub-IR specifically incorporates mitigation.	
What are the next steps at the PAD and/or mechanism levels to reduce greenhouse gases?	

Part III: Additional Requirements for Missions Receiving GCC Funds

Missions receiving GCC funds should answer the following questions in order to guide them to strategically address climate change and development in their R/CDCS.

A. Clean Energy:

Missions receiving GCC-Clean Energy funds should answer the following questions in the Climate Change Annex. The answers should inform the Mission strategy so that clean energy programming contributes to the transformational changes that can lead to better development and strong economic growth while contributing to national-scale GHG emission reductions.

1. How does the R/CDCS integrate Mission programming support for host government-led activities for the development, analysis, planning, integration and implementation of Low Emission Development Strategies (LEDS)[9] into its DOs and/or IRs and support the host country to analyze, develop, articulate and ultimately achieve its domestic and international greenhouse gas mitigation-related targets and commitments?

2. How does the R/CDCS incorporate attention to energy efficiency, renewable energy potential, and energy sector reforms throughout USAID's development portfolio?

3. How does the R/CDCS enable or promote a transformational change in the host country's public, private or civic sectors that will lead to better development and strong economic growth while affecting a shift to low emissions development and national-scale GHG emission reductions?

B. Sustainable Landscapes:

Missions receiving GCC-Sustainable Landscapes funds should answer the following questions in the Climate Change Annex. The answers should inform the Mission

[9] Under the Presidential Global Climate Change Initiative, USAID is committed to helping partner countries establish the policy environments, improved governance and human capacity, and financial incentives needed to set their economies on a low-emissions, climate-resilient development path. USAID prioritizes LEDS—an analytical, strategic, and policy framework that provides a foundation for achieving robust economic growth while at the same time achieving significant greenhouse gas emissions reductions. LEDS provide countries with a framework for both comprehensive planning (e.g., "What are the emissions trends for our priority development sectors or within DOs and how can we change those trends?") and iterative planning ("What are the short-term measures that are needed to place us on this low-emissions path and how do we adjust our policies along the way?"). Enhancing Capacity for LEDS (EC-LEDS) is a USG-wide effort in which USAID plays a leading role (providing both funding and technical leadership), and all Missions receiving mitigation funding (i.e., in clean energy and/or sustainable landscapes) should factor LEDS into their planning.

strategy so that sustainable landscapes programming contributes to the transformational changes that can lead to national GHG emission reductions.

1. How does the R/CDCS integrate planning and implementation of LEDS (see Footnote 10) into its DOs and/or IRs and support the host country in meeting its domestic and international GHG targets and commitments?

2. How does the R/CDCS incorporate the goal of reducing net emissions from deforestation or from other land uses such as agriculture, consistent with **USAID's Climate Change and Development Strategy**?

3. How does the R/CDCS enable or promote a transformational change to low emissions development?

C. Adaptation:

While climate risk screening will help all Missions address the climate risk associated with USAID's development activities, Missions receiving GCC-Adaptation funds should consider the country's development priorities more broadly and not focus only on existing USAID program areas. Answering the following questions in the Climate Change Annex will help identify the highest priorities for Mission adaptation programs that increase climate resilience and yield the greatest advances toward the country's development objectives.

1. How is climate change a current stressor on key development priorities of the country? (For example: Is climate variability a current stressor driving food insecurity, water scarcity, communicable disease spread, conflict and political instability, or other negative effects?) How is climate change projected to be a stressor on development priorities in the future?

2. What assessments and analyses have already been done to inform strategic planning around adaptation, and what additional analyses may be needed? What is the quality of the analysis? Are the documents publicly available? (Please consider not only analyses undertaken by USAID, but relevant national or regional analyses undertaken by host governments, other donors, or other stakeholders such as universities, think tanks, or other civil society and private sector organizations.)

3. Does the host government have a national adaptation plan of action, national adaptation plan, or similar planning instrument that is high quality and thorough? To what extent are potential USAID adaptation programs aligned with this plan or plans?

4. Based on available information, how is future climate change likely to impact both your programs and other key development priorities of the country? Consider alternative paths or programs to ensure enduring success of interventions.

201mat_100615