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Climate Change in USAID Country/Regional Strategies

A Mandatory Reference for ADS Chapter 201

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This document describes the process through which climate change risks should be assessed and addressed as well as considerations for climate change mitigation in USAID mission/regional strategies.¹ This is a companion document to [ADS 201mal, Climate Risk Management for USAID Projects and Activities](#) and [ADS 200maa, Guidance on Writing and Reviewing Development Policy, Annex: Climate Change Requirements in New Agency Policies](#).

EXECUTIVE SUMMARY

Effective October 1, 2015, climate risk management is required as part of the development of all new country/regional USAID strategies, including Country Development Cooperation Strategies (CDCSs), Regional Development Cooperation Strategies (RDCSs), mission strategies, country strategies, or equivalent. Climate risk management (CRM) is the process of assessing, addressing, and adaptively managing climate risks. The initial step to assessing climate risk is conducting a climate risk screening.

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 informs the strategies and also helps determine where risk is the highest, thus enabling USAID to address climate risk as appropriate at the strategy, project, or activity levels. Through climate risk screening, the mission uses climate information and technical judgment to qualitatively categorize climate risks to the mission's objectives 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 strategic approach to achieving strategy goals and objectives and/or to inform more detailed programmatic approaches (e.g., at the project or activity level). The climate risk may also be accepted upon consideration of tradeoffs and how USAID can best achieve its development objectives. If low climate risk is identified, no further action is required beyond documenting that low risk was identified.

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

1. *Review relevant climate information*, including what is provided in the [country- or regional-climate risk profile](#) and, as available, other existing analyses and assessments. The climate risk profiles, where available, provide a summary of current and projected climate conditions for the country or region.
2. *Conduct screening*. To support screening, USAID has developed a [Climate Risk](#)

¹ For this purpose, strategies include Country Development Cooperation Strategies, Regional Development Cooperation Strategies, mission strategies, country strategies, or equivalent. Climate risk management guidelines for Agency-wide policy documents (Policies, Strategies, and Vision Papers) are provided in ADS 200maa, Mandatory Reference: Guidance on Writing and Reviewing Development Policy, Annex: Climate Change Requirements in New Agency Policies

[Screening and Management Tool](#) that walks users through a facilitated process to identify key climate risks, adaptive capacity, opportunities, options to address risks, and next steps.

- Incorporate findings into the 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.
- Document climate risks and how they are addressed in the Climate Change Annex.* Missions are required to document the risk rating for each DO or IR, how the moderate or high climate risk was addressed in the strategy, and next steps.

In summary, CRM consists of assessing, addressing, and adaptively managing climate risk. The results of strategy-level CRM inform the development of the strategy as well as the CRM that may take place later during project and activity design.

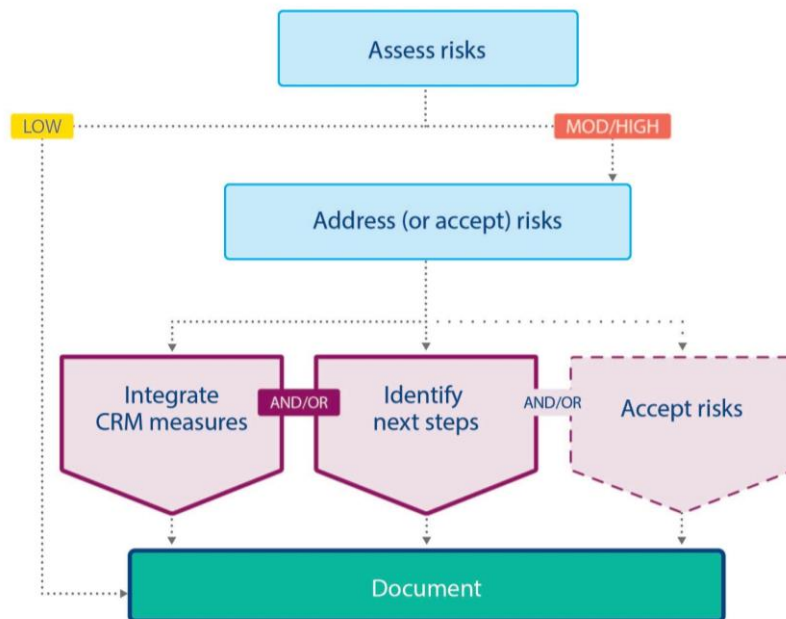


Figure 1: CRM consists of assessing and addressing risk and should be conducted at each stage of the program cycle. CRM at the strategy level informs CRM for project and activity design.

Climate Change Mitigation

All missions are required to consider climate change mitigation,² regardless of whether or not the mission receives Global Climate Change (GCC) funding. Answers to questions on greenhouse gas (GHG) emissions and mitigation *must* be documented in the Climate Change Annex and reflected in the strategy in some way. [Country- and regional- GHG emissions factsheets](#) or other reliable sources can help missions answer the questions.

Missions with Global Climate Change (GCC) Funds

Additional requirements for missions receiving or planning to request Clean Energy, Sustainable Landscapes, or Adaptation funds appear in Appendix A, Part III of this document.

Resources and Support

USAID/Washington's Global Climate Change Office and Regional and Pillar Bureaus provide a variety of resources to support climate risk management (CRM) efforts, including:

- [Climate Risk Screening and Management Tools](#) on USAID's intranet assist staff in assessing and addressing climate risks in each of the sectors in which USAID works;
- [Country- and Region-specific Climate Risk Profiles](#) summarize existing information on current and projected climate conditions; and
- [Country- and Region-specific GHG Emissions Factsheets](#) summarize existing information on current and projected GHG emissions.

Agency-wide resources for CRM can be found on the [USAID Climate Risk Management intranet site](#). Implementers and others may consult publicly available resources at [Climatelinks](#).

Each Bureau and Mission has a designated Climate Integration Lead (CIL) who can provide support. The [full list of CILs](#) and their responsibilities is also available on the USAID intranet. Bureau-level responsibilities are determined by each Bureau.

In addition, USAID/W staff and contractors are available to provide virtual and/or in-person support. USAID staff may email climatechange@usaid.gov.

² The goal of climate change mitigation is to reduce GHG emissions.

INTRODUCTION AND BACKGROUND

Climate variability and change³ is a cross-cutting issue that can undermine development progress and increase risk and insecurity in developing countries. For example, increases in temperature and changes in precipitation patterns could significantly affect crop yields and shift the geographic range and incidence of vector-borne diseases. The impacts of climate change can also compound 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 activity level as part of the planning and design process, USAID can increase the sustainability and impact of its investments.

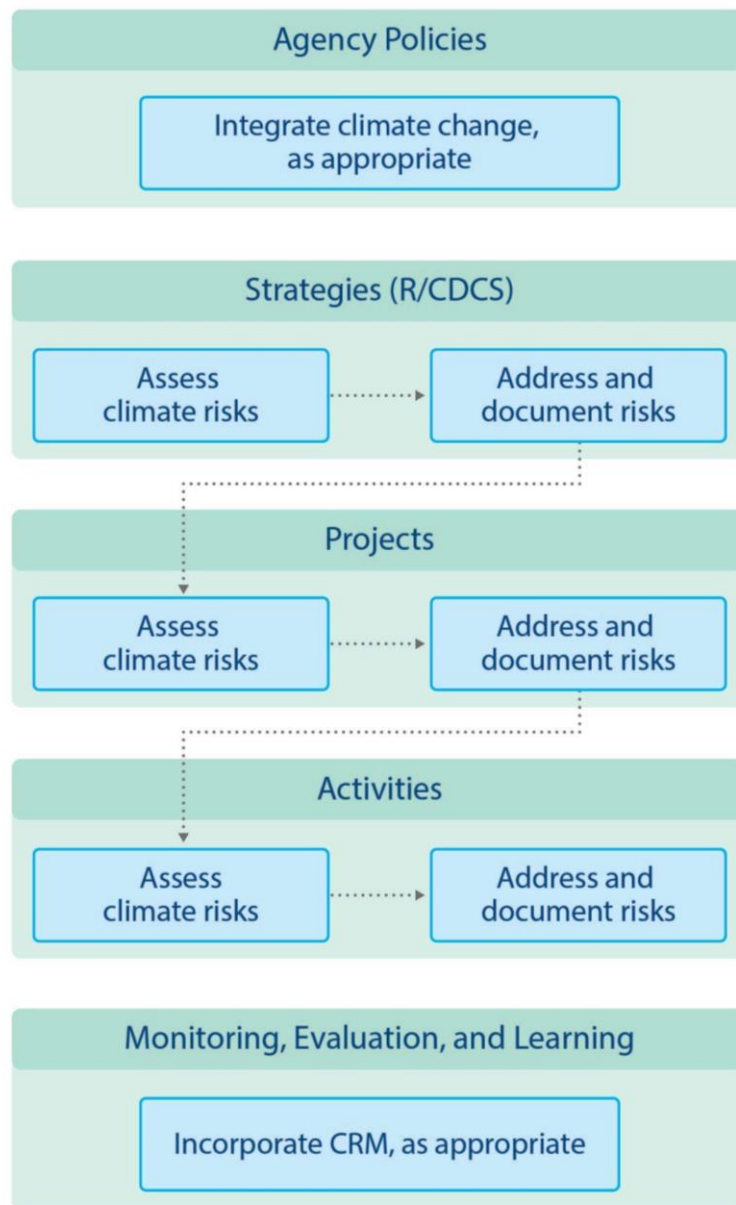
AN OVERVIEW OF CLIMATE RISK MANAGEMENT IN THE PROGRAM CYCLE

Climate risk management (CRM) is the process of assessing, addressing and adaptively managing climate risks. For USAID's purposes, climate risks are potential negative consequences on strategies, projects, or activities due to changing climatic conditions. The goal of CRM is to both render USAID's work more climate resilient (i.e., better able to anticipate, prepare for and adapt to changing climate conditions and withstand, respond to and recover rapidly from disruptions) and to avoid maladaptation (i.e., development efforts that inadvertently increase climate risks). By using climate risk assessments to inform decision-making at the strategy, project and activity levels, USAID is better able to manage climate risks and more effectively pursue its mission to end extreme poverty and to promote resilient, democratic societies while advancing our security and prosperity.

CRM is an iterative process that flows through all steps of the USAID Program Cycle (see Figure 2). It includes designing and implementing for uncertainty through informed decision-making. CRM means programming for a range of possible future climate scenarios and building in flexibility to adjust and adapt to a changing climate during the timeframe over which a strategy, project or activity is expected to confer benefits.

³ 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 periods and extremes) 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.).

Figure 2. CRM is an iterative process that flows through all steps of the USAID Program Cycle.



USAID's Program Cycle provides key entry points for considering climate change as a cross-cutting issue in USAID's international development work. USAID Operating Units (OUs) are required to implement climate risk management in:

- Agency-level policy documents (see [Annex: Climate Change Requirements in New Agency Policies](#)),
- USAID country/regional strategies, e.g., R/CDCS (the focus of this document), and

- Projects and activities, including PADs and activity solicitations (see [ADS 201mal, Climate Risk Management for USAID Projects and Activities](#)).

In addition, monitoring, evaluation, and learning (MEL) can support CRM throughout the Program Cycle.

Climate risk management at the strategy level is an important initial step in climate risk management throughout the Program Cycle (see Figure 2). The initial step to assessing climate risk is conducting a climate risk screening. Climate risk screening 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 programming. Screening also identifies elements that may require more in-depth analyses or measures, particularly when designing projects and activities. Thus, climate risk screening is not meant to be a detailed climate vulnerability assessment, but it can help identify when more in-depth analyses are needed. It can also help determine what such an analysis should focus on and which methodologies may be most appropriate. Climate risk analyses should be “fit for purpose,” i.e. detailed enough to inform decision making but not overly costly or burdensome.

Identifying the relevant timeframe of the decisions is 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 uses climate information and technical judgment to qualitatively categorize climate risk to the mission’s efforts 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 (see the below box for definitions). Note, assessing the climate risk by IR instead of DO can be helpful for climate risk management at the project level, given that projects are often designed to achieve an IR. If the risk rating is initially determined by sector, CRM will need to be revisited once the DOs and IRs have been determined so that the risk ratings can be modified to reflect each DO or IR.

USAID’s Definitions of Low, Moderate and High Climate Risk Ratings

Climate risk is the potential for negative consequences due to changing climatic conditions where the outcome is uncertain. Climate risk management at USAID focuses on the risk to USAID development programs. This risk consists of individual climate risks—potentially severe adverse consequences for development programs resulting from the interaction of climate-related hazards with the vulnerability of societies and systems exposed to climate change. A climate risk may arise when something is exposed to a climate stressor such as higher temperatures, flooding or drought. For strategies, the risk rating is determined for each sector, DO or IR, which may require consideration of multiple climate risks. The level of risk increases both as the severity of negative impact increases and as the probability of negative impact increases (see Table 1).

Quantitatively assessing climate risk is difficult due to uncertainty about the magnitude and likelihood of climate impacts, the context- and site-specific nature of climate risks and the difficulty in quantitatively comparing different types of potential consequences (e.g. economic output, morbidity and ecosystem disruption). Therefore, CDCS design teams should use technical judgment to qualitatively categorize climate risks to the development objectives as low, moderate or high.⁴ The question of how easy or challenging it will be to manage the risk should not affect the risk rating; rather, design teams should consider their willingness and the willingness of beneficiaries to accept the potential negative consequences. Climate risks should be considered in the context of other risks and factors as should the interactions between climate risks and between climate risks and other factors.

Table 1: Risk ratings

| | PROBABILITY OF NEGATIVE IMPACT (increases from left to right) | | |
|--|--|---|---|
| SEVERITY OF NEGATIVE IMPACT (increases from top to bottom) | Low probability Low impact LOW RISK | Moderate probability Low impact LOW RISK | High probability Low impact LOW RISK |
| | Low probability Moderate impact LOW RISK | Moderate probability Moderate impact MODERATE RISK | High probability Moderate impact MODERATE RISK |
| | Low probability High impact MODERATE RISK | Moderate probability High impact HIGH RISK | High probability High impact HIGH RISK |

⁴ A qualitative assessment of climate risk is supported by the Intergovernmental Panel on Climate Change (2014). Field, C.B. et al., 2014: Technical summary. In: Climate Change 2014: Impacts, Adaptation and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Field, C.B., et al. (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 35-94.

Low climate risk – the above table indicates four scenarios (in green) that would be considered low climate risk to the achievement or sustainability of development outcomes. As an example, in a region expecting slight increases in temperature and precipitation, favoritism influencing the provision of assistance after crop failure may pose low risk to a governance initiative focused on anti-corruption reform in the judiciary (low probability, low impact).

Moderate climate risk – the above table indicates three scenarios (in orange) that would be considered moderate climate risk to the achievement or sustainability of development outcomes. As an example, shifts in malaria transmission combined with increasingly severe and frequent storms that make it difficult to transport health supplies may pose moderate risk to a malaria prevention or control objective (moderate probability, moderate impact).

High climate risk – the above table indicates two scenarios (in red) that would be considered high climate risk to the achievement or sustainability of development objectives. As an example, in a region that is projected to have significantly altered streamflow regimes due to changes in precipitation or glacial melt patterns, the quantity and timing of hydroelectricity may change, posing a high risk to an objective of expanding access to energy services (high probably, high impact). Similarly, reduced coffee productivity may pose a high risk to economic growth efforts in a geographic area that is expected to be less suitable for coffee in the future due to higher temperatures (high probability, high impact).

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 required Climate Change Annex (see template in Appendix A). The risk rating identified by the screening determines 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 must document the rationale for the low risk rating in the Climate Change Annex. The mission may 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 or accepted as the mission deems appropriate based on its technical judgment. Climate risks can be addressed by using climate information to inform the strategic approach to achieving goals and objectives 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 moderate or high risks.

Assessing climate risk at the appropriate stage in the Program Cycle helps to ensure that the assessment can provide the level of detail needed to adequately inform the strategies, projects, or activities (see Figure 2). Detailed vulnerability assessments are likely not needed to inform decision-making at the strategy level. In many cases, a more in-depth analysis is 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 provides a better opportunity to directly address climate risks. Incorporating climate change into monitoring and evaluation, which is encouraged, can occur at the strategy, project, or activity levels.

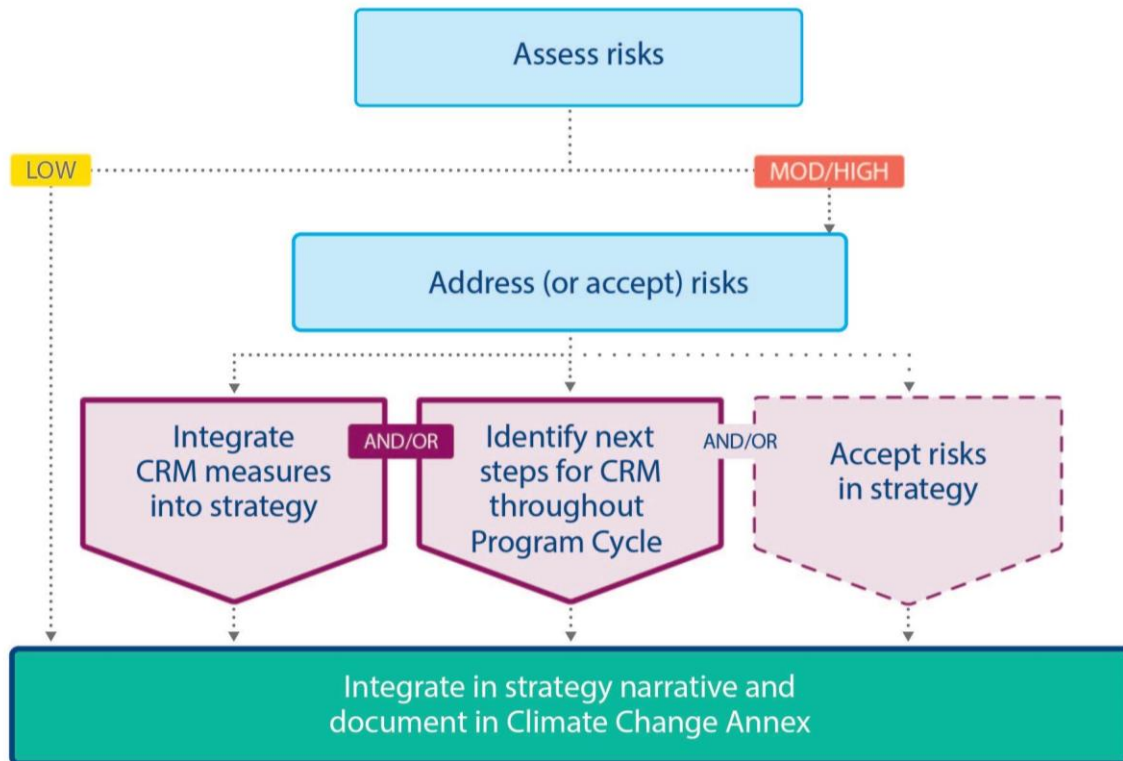
CLIMATE RISK MANAGEMENT IN USAID STRATEGIES

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

1. Review relevant climate information, including that provided in the [country/region-specific climate risk profiles](#) and, as available, additional climate information such as existing analyses and assessments;
2. Conduct screening;
3. Incorporate findings into development of the strategy; and
4. Document the climate risks identified, how moderate or high risks are addressed in the strategy, and next steps in the Climate Change Annex (see Appendix A).

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

Figure 3. Climate risk management for strategy development.



Phases 1 & 2: Initial Consultations and Results Framework Development

Prior to Phase 1: Prepare for Climate Risk Screening

In preparation for climate risk screening, the mission is encouraged to review relevant climate information and to consult with your mission or bureau's [Climate Integration Lead](#). Climate information can be found in the [country/region-specific climate risk profiles](#) that are being generated to support this process. The mission may also want to use additional climate information such as climate risk analyses conducted by host-country governments and other donors; gathering these resources early in the process is encouraged. Mission sector and other technical experts may be aware of climate change information that is available for their sector.

The mission should consider one of these three options for conducting the climate risk screening:

1. [USAID's Climate Risk Screening and Management Tools](#) - These tools provide a

systematic way to identify key climate risks, adaptive capacity, opportunities, options to address risks, accepted risks and next steps. Sector-based examples and guiding questions are included to stimulate thinking. Three separate but similar tools are available for strategy-, project- and activity-level planning. The strategy level tool assists the user to completing the table required in Part I of the Climate Change Annex.

2. *Existing Climate Change Vulnerability or Risk Analysis of Appropriate Scale or Focus* - Other donors and international organizations may have conducted a climate change vulnerability assessment or climate risk analyses relevant for the geographies, sectors and timeframes in question. In some cases, there may even be a vulnerability assessment produced by USAID. Where existing analysis on climate change impacts is publicly available and technically sound, this approach may be a good way to streamline the CRM process. However, design teams are still responsible for ensuring that these analyses address relevant geographies, programming areas and timeframes based on the best available evidence and analysis.
3. *Tailored Climate Risk Analysis* – If the above options do not provide sufficient information for decision-making, climate risk analysis can be done using a variety of other methodologies to answer a wide array of questions about climate risks, depending on the needs of the design team. They can be done in-house or commissioned to provide more information about climate risks at the sub-national or sub-sectoral level. USAID climate change experts in Missions or USAID/Washington can help determine what type of analysis is appropriate. A variety of technical resources on climate risk and vulnerability assessment are available, including assessment templates.

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 climate information, including the [climate risk profile](#) 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 risks may be to shift the sectors and/or geographies; screening and identifying these options early is advantageous. In many cases, climate risks can be addressed through more detailed programmatic choices. An understanding of the work the mission is likely to do helps 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 further contributes to those more detailed decisions. The timing of the screening is a balancing act—it should be early enough that there is still flexibility in programming decisions, but late enough that the mission has some understanding of the sectors and geographies it plans to work in.

Consultations with stakeholders can help ensure the screening and proposed approaches to address climate risks reflect the country context. Missions should ensure that stakeholders relevant to climate change issues are included in the consultation process. One potentially important contact on climate change is the “National Focal Point.”⁵ 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 risks. In addition, missions should identify and link to host country national climate change strategies or climate change considerations in sectoral strategies.

As part of the analysis timeline in the Concept Note, the mission must indicate the option it has selected to screen for climate risk and when the screening will occur (if the screening has not already occurred). The mission is encouraged to raise any questions, requests for additional support, or concerns about climate risk prior to or during the Phase 1 Digital Video Conference (DVC).

Phase 2: Incorporate Screening Results into the Strategy

All missions should carefully consider how to address 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.

In the Results Framework Paper, missions should be prepared to use or discuss the results of the screening. 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 are used to adjudicate this process.⁶

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

For sectors, DOs or IRs that are rated moderate or high risk, the following describes how climate change risk considerations should be incorporated in the R/CDCS (in addition to documented in the Climate Change Annex, see Appendix A). For sectors, DOs or IRs that are rated low risk, briefly summarizing the current and expected impacts and why the sector was rated low risk is also helpful.

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 and if certain populations were disproportionately impacted. Missions should consider describing how the sectors and populations have responded. Missions should also incorporate a

⁵ 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>.

⁶⁶ Please refer to ADS 201mag, Regional and Country Development Cooperation Strategy (R/CDCS) Development and Approval Process.

discussion of future climate risks.

Development Hypothesis and Results Framework – The development hypothesis, results framework and accompanying narrative should take into account the results of the screening. Additionally, the narrative should cite evidence (e.g., assessments, stakeholder consultations) that support causal linkages. The [GCC Pillar Results Frameworks](#) may be helpful to missions that want to incorporate climate change adaptation and resilience into a DO, IR, or sub-IR or accompanying narrative. They also provide 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. 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. See the [GCC Standard Indicators](#) for some initial ideas of performance indicators. Monitoring and evaluation can also contribute to continuous learning and improvement of climate resilient strategies. Monitoring and evaluation and adaptive management helps with planning for climate uncertainty.

In the full draft of the strategy, missions should be prepared to use the findings of the screening and discuss climate change as relevant, including the Climate Change Annex (see Appendix A). Commenters may reopen a significant issue raised in Phase 2 or raise a new significant issue, if related to the Climate Change Annex. The Standard R/CDCS processes are used to adjudicate this process.⁷

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 climate risk rating of each DO or IR, how the moderate or high risk was addressed in the strategy, and next steps.

CLIMATE CHANGE MITIGATION IN THE STRATEGY

At the heart of climate risk are the greenhouse gas emissions that cause climate change in the first place. Preventing dangerous anthropogenic interference with the global climate system requires efforts to reduce greenhouse gas (GHG) emissions by both developed and developing countries. In order to help developing countries reduce

⁷ Please refer to ADS 201mag, Regional and Country Development Cooperation Strategy (R/CDCS) Development and Approval Process.

their GHG emissions compared to business as usual (BAU),⁸ missions should ensure that their portfolios contribute to reduced GHG emissions where they can.

All missions are required to document their consideration of the following questions on climate change mitigation, regardless of whether or not the mission receives focused GCC funding. Answers to the following questions on GHG emissions and mitigation must be documented in the Climate Change Annex (see Appendix A) and reflected in the strategy in some way. The [country/region GHG emissions factsheet](#) helps the mission answer the questions. Consideration of these questions early in the development of the R/CDCS informs the strategy and enables 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 sinks⁹ 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 GHG emissions associated with USAID activities?

⁸ 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.

⁹ Efforts that remove GHG emissions from the atmosphere, e.g., reforestation.

ADDITIONAL REQUIREMENTS FOR MISSIONS RECEIVING GCC FUNDS

Requirements provided in Part III of the Climate Change Annex (Appendix A) apply only to those missions receiving or that are planning to request focused global climate change initiative funds (i.e., GCC-Clean Energy, GCC-Sustainable Landscapes or GCC-Adaptation funds).

Missions receiving GCC funds must consider climate change at the strategy level so that clean energy and/or sustainable landscapes programming contributes 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 Climate Change Annex assists 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.

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. Project and activity design teams will consult with this annex to determine how they will proceed with climate risk management at the project and activity level. 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's Climate Risk Screening and Management Tool](#), use of another climate screening tool, use of existing country-level analysis, or another approach). List the source(s) of climate information.
- 2. Document the climate risks and how they are addressed in the strategy,** and if appropriate, **next steps and accepted risks.** A table that includes the following fields, at a minimum, must be included in the Climate Change Annex. Missions that use USAID's Climate Risk Screening and Management Tool (the version released in 2016), may simply insert the output of that tool.

| Development Objective or Intermediate Result | Risk rating of DO or IR <i>Based on the screening, rate the potential climate risk to each DO or IR as high, moderate, or low and describe the risks and adaptive capacity (for moderate/high risk, if known). Indicate the timeframe applied in the analysis.</i> | Integration into strategy (not required for low risk) <i>How does the strategy address the climate 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.</i> | Next steps (not required for low risk) <i>Is monitoring and/or further analysis of risks needed to inform project planning, design, and implementation? What needs to be done at the project and/or activity levels to address the risks?</i> | Accepted risks (not required for low risk) <i>What climate risks does the mission accept? Why?</i> |
|---|---|---|--|---|
| <i>Example: DO1: Improved health status</i> | <i>Example: Moderate risk (largely disease specific). For vector-borne diseases, due to increasing temperature and shifting rainfall patterns, disease incidence rates may change (decrease or increase) and/or spread to new geographic areas. The consequences of flooding and droughts may also impact water and sanitation infrastructure. The capacity of the government and other institutions to anticipate and respond is weak. Populations with weakened immune systems may have reduced capacity to physically cope with impacts from changing climate conditions. Timeframe: 0-10 years.</i> | <i>Example: Promote linkages between Ministries of Environment and encourage incorporation of climate data into health programming and policies (p 25).</i> | <i>Example: Further information related to how climate change is expected to impact malaria prevalence in the highlands 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.</i> | <i>Example: Due to the lead time of setting up programs, or efficiencies gained by stable programming, it may be difficult to consistently respond to unpredictable climate patterns.</i> |

Part II: Greenhouse Gas Mitigation

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| <p>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?</p> | <p><i>Example:</i> According to FAOSTAT (2015), the major sources of greenhouse gas emissions in the country are land use change and forestry (LUCF) sector, followed by the energy and agriculture sectors. The country's Second National Communication (SNC) however lists the major sources for greenhouse gases as fuel combustion, agriculture, waste handling, and industrial purposes.</p> <p><i>LUCF emissions originate from forest land use changes and the burning of biomass. The SNC states that 70 percent of the population depends directly on forests for firewood, construction timber, food, and fodder. Energy as of 2012 is primarily supplied by biofuels and waste (66 percent), followed by coal, oil, and hydropower.</i></p> <p><i>The country's emissions decreased by 10 percent from 1990 to 2011. Emissions from industrial processes decreased possibly due to a sharp decline in manufacturing and industrial activity. The decline in manufacturing and industry is linked to the country's economic and political crises.</i></p> <p><i>With the worsening electricity supply situation, firewood will continue to be the main source of energy with increased use in urban settlements. The importance of coal for electricity production could also increase as frequent droughts reduce the country's hydro- electric generation capacity.</i></p> <p><i>The government has prioritized the following actions as part of its intended Nationally Determined Contributions (INDC) under mitigation:</i></p> <ul style="list-style-type: none"> ● <i>Increasing hydro power in the energy mix</i> ● <i>Energy efficiency improvement</i> ● <i>Refurbishment and electrification of the rail system</i> ● <i>Ethanol blending</i> ● <i>Solar water heaters</i> |
| <p>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?</p> | <p><i>Example:</i> USAID is not working in the broader energy, waste disposal, manufacturing, transport, and forestry sectors. Although USAID is not working directly in these sectors, it works in rural areas where firewood is one of the main natural resources used for energy. Under DO 1, USAID works to improve the resilience of communities. One way communities improve resilience is by improving management of natural resources like trees. Work on better management of these natural resources could to some extent reduce the use or</p> |

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| | <p><i>improve the efficiency of firewood energy. In the agriculture sector, USAID will be promoting climate smart agricultural practices as a mitigation measure.</i></p> |
| <p>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.</p> | <p><i>Example: The strategy focuses more on climate adaptation than mitigation. However, mitigation will include a focus on climate smart agricultural practices and improved natural resources management as part of DO 1.</i></p> |
| <p>What are the next steps at the project and/or activity levels to reduce greenhouse gases?</p> | <p><i>Example: Subsequent projects and any new designs in DO 1 will take into consideration results of the climate screening and ways in which natural resources management and agriculture activities can mitigate climate change.</i></p> |

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)¹⁰ 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 strategy so that sustainable landscapes programming contributes to the transformational changes that can lead to national GHG emission reductions.

¹⁰ 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.

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 helps 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 helps 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.

GLOSSARY

Adaptive Capacity

The potential or capability of a system to adapt to (to alter to better suit) climatic stimuli or their effects or impacts.

Adaptive management

An intentional way for USAID to make planning decisions and adjustments during implementation in response to new information or changes in context.

Climate change

Variations as well as persistent change in climate over decades or longer.

Climate impact

The effect of climate variability or change on social or natural objects or systems. E.g., the impairment of a port facility by sea level rise, or the change in species habitat due to warmer temperatures.

Climate resilience

The ability to anticipate, prepare for and adapt to changing conditions and withstand, respond to and recover rapidly from disruptions.

Climate risk

The potential for negative consequences due to changing climatic conditions where the outcome is uncertain. Climate risk consists of individual climate risks—potentially severe adverse consequences for development programs (or for humans and social-ecological systems) resulting from the interaction of climate-related hazards with the vulnerability of societies and systems exposed to climate change. For purposes of USAID's climate risk management, risks are qualitatively categorized as high, moderate or low.

Climate risk analysis

An examination of the magnitude of the potential consequence/s of climate change impact/s and the likelihood that the consequence/s will occur under prescribed scenarios of climate change. It is more in-depth than climate risk screening.

Climate risk assessment

A general term referring to the systematic process of evaluating the potential climate-related risks that may be involved in a strategy, project or activity. It includes both screening and analysis.

Climate risk management

The process of assessing, addressing and adaptively managing climate risk.

Climate risk screening

Broad consideration of current and future climate risks and opportunities early in the

development decision-making process.

Climate scenario

A plausible and often simplified representation of the future climate.

Climate stressor

A climate factor that can affect the functioning of a system. For example, rising temperatures and greater rainfall variability may affect agricultural productivity, with implications for food security. Climate stressors can also limit the potential success of development interventions.

Climate variability

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. The term “climate change” refers to those variations as well as persistent change in climate over decades or longer.

Opportunities

Potential to achieve multiple development objectives (such as climate adaptation, mitigation and/or other development objectives), to exploit new options posed by a changing climate, and/or to take advantage of recently adopted policies, changing attitudes or other “windows.”

Vulnerability

Vulnerability to climate change is the “propensity or predisposition to be adversely affected” by climate stressors. It is a function of a system’s exposure, sensitivity, and adaptive capacity. The more exposed or sensitive a system is to climate change (or climate variability, including extreme events), the more vulnerable it will be. The greater the adaptive capacity of a system or society (e.g., the wealthier, better organized it is), in general, the less vulnerable it will be.

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