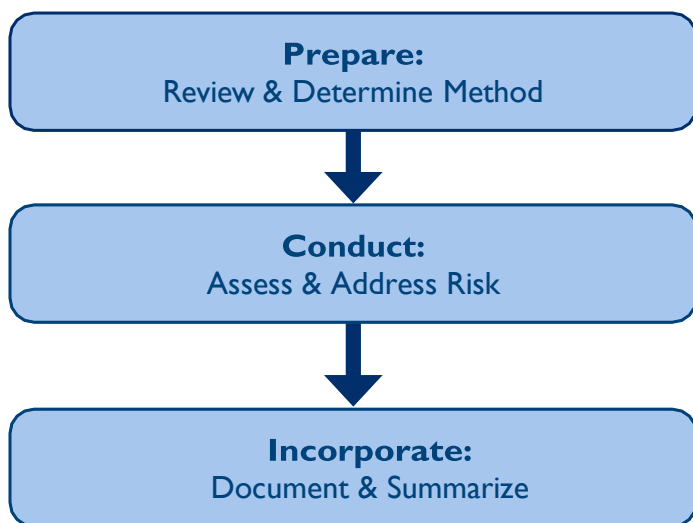




The IEE is a critical element of USAID’s mandatory environmental review and compliance processes under [Title 22, Code of Federal Regulations, Part 216 \(22 CFR 216\)](#) – “Reg 216.” The climate risk management (CRM) Annex is key to USAID’s requirements under [ADS Reference 201mal](#) and Executive Order 13677, which require that USAID assess climate-related risks for all investments and incorporate CRM measures into activity design and/or implementation. It also serves as a tool to help USAID document opportunities, in line with the Climate Strategy, to reduce the impact of USAID’s activities on the climate.

This fact sheet outlines best practices in analyzing potential climate risks and selecting CRM actions.

PERFORMING CLIMATE RISK MANAGEMENT



The steps of CRM are outlined below:

1. Prepare for Climate Assessment

- Review any previously completed screenings relevant to your project (e.g., the strategy-level CRM in the climate change annex of the [Regional or Country Development Cooperation Strategy](#)).
- Determine the assessment approach. The review may rely on available information and expertise or require more extensive additional analysis, depending on: i) the project’s timeframe (i.e., how long the outcomes will last, typically beyond the activity itself, and potentially be impacted by climate change); ii) purpose (i.e., the scope of the activity); and iii) the rating of risks (i.e., higher or lower).

2. Conduct the Assessment

- Assess climate risks (current and future) to project purpose by activity and/or sub-activity, considering not only the action but the outcome of the development activity. Each risk must be rated low, moderate, or high. The rating depends on both the probability and severity of the impact (see right). For central mechanisms, the AOR/COR should consult field staff when feasible.

- Identify CRM measures to address climate risks. High or moderate risks must be addressed in the CRM table, and low risks may be addressed. You may choose to accept the risk if you cannot identify a feasible way to manage a risk.
- Assess opportunities: (1) achieving development objectives including reducing greenhouse gas emissions; (2) taking advantage of windows of opportunity in the local context for climate management; and/or (3) securing benefits created by changing climate conditions (e.g., if warmer average temperatures may improve regional agricultural yields).

3. Incorporate Assessment into Annex I of the IEE.

- Provide a narrative summarizing: the CRM methods (including key resources), future climate projections, the most significant (moderate or high) risks and how they are addressed, a rationale for acceptance of any moderate or high risks, and how CRM will continue throughout the activity.
- Complete the CRM Summary Table (Annex I in the IEE), depicting risks, adaptation measures, and opportunities.

		Probability of Negative Impact		
		Low	Moderate	High
Severity of Negative Impact	Lo	Low Risk	Low Risk	Low Risk
	Moderate	Low Risk	Moderate Risk	Moderate Risk
	High	Moderate Risk	High Risk	High Risk

KEY PRINCIPLES TO REMEMBER

- CRM is not a separate process from program design or a final pre-implementation hurdle. Do not cut and paste from a collection of possible impacts; think through the climate risks in the particular context of your project and location. Ensure risks and management options are linked directly to each specific (sub-)activity – for example, water supply activities involve different risks than construction activities.
- Do not assume that an (sub-)activity faces zero climate risk. Even for actions for which climate threats seem minimal, potential impacts should still be considered.
- Moderate and high climate risks must be addressed in the CRM table during the design phase, but they do not prohibit an activity from being implemented.
- An activity or sub-activity may face multiple climate risks, all of which may have different risk ratings.
- Indicating in the EMMP table whether high or moderate risk is associated with an activity or sub-activity is beneficial and encouraged for long term tracking purposes.
- The USAID 2022-2030 Climate Strategy takes a “whole-of-Agency” approach to addressing the climate crisis. CRM offers a starting point for considering climate risks and opportunities while designing programs and projects. The CRM table’s opportunities column is an excellent prompt to consider risk management in relation to the climate strategy.
- Perform CRM early in the design process when adjustments to the project/activity can be more easily integrated.



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RESOURCES FOR CLIMATE RISK ASSESSMENT

USAID ClimateLinks: Global knowledge portal searchable by keyword. Resources may also be filtered by:

- Resource Type (e.g., case study, technical report)
- Region
- Country
- Sector (e.g., adaptation, urban, energy)
- Project (e.g., USAID Green Invest Asia, Forest-PLUS)
- Topic (e.g., construction, agriculture)
- Publication Year (2005 onward)

Climate Risk Screening and Management Tools: Various tools, including matrix templates and annexes, for:

- Strategy Design
- Project Design
- Activity Design
- Sector-Specific Annexes (e.g., Agriculture, Economic Growth, Health)

Sector Environmental Guidelines: Climate considerations have been incorporated into all SEGS along with typical impacts and management considerations (e.g., solid waste, energy, and construction).

Regional & Country Risk Profiles and GHG Emissions

Fact Sheets: Summaries of key climate stressors and risks pertinent to Mission objectives and important core references. USAID country assessments are a good starting point, but not exclusively required; other data sources to obtain the most complete, recent information are encouraged.

Regional or Country Development Cooperation

Strategy Climate Annexes: Inform Missions’ strategic roadmaps from a climate perspective and provide background on prior screenings already conducted in the area.

USAID Environmental Compliance Database:

Searchable public database of approved environmental impact assessments; current or previous IEEs may offer lessons for your project.

Biodiversity (Foreign Assistance Act 119) & Tropical Forestry (FAA 118) Analyses:

Country-specific outlined actions for protecting biodiversity and tropical forests.

SAMPLE ACTIVITY CRM SUMMARY TABLE

Activities/ Sub Activities	Climate Risks	Risk Rating	How Risks Are Addressed	Opportunities to Strengthen Climate Resilience
Providing trainings to community leaders on safe digital activity and reporting online harassment	Increased extreme weather events (e.g., flood, extreme heat,) might prevent attendees from reaching the training location or render the training venue unsafe.	LOW	Project team will develop backup materials for virtual delivery of trainings in case of extreme weather.	Virtual follow-up to attendee questions may reduce greenhouse gas emissions from travel to training locations.
Construction of a new dormitory on a school campus	Extreme weather events might damage or even destroy the building.	HIGH	Architecture and engineering plans will include detailed risk assessment of climate vulnerability; potential extreme weather will be monitored throughout project lifecycle; resilient building principles will be integrated.	Incorporate sustainable design and climate-resilient buildings into construction worker training.
Agricultural extension programming in a coastal region	Decreased productivity of coastal agricultural areas may occur due to salinization from sea level rise, greater storm surge, and ocean acidification. Heat stress and changes in rainfall may damage crops.	MODERATE	Climate-smart agriculture principles will be integrated (e.g., efficient water management, cultivating stress-tolerant crop varieties). Appropriate sluice gates will be placed to improve drainage and manage tidal surges & saltwater intrusion.	Develop new insurance instruments to address climate risks. Training and awareness-raising on the importance of preserving coastal wetlands, which reduce storm surge impacts.

TIPS FOR SUCCESS

- Do not leave cells in the table blank.
- Focus on the most significant and meaningful risks and opportunities.
- The focus of the CRM analysis is on risks posed by climate change and adjusting to them. Impacts that your project could have on climate (e.g., greenhouse gas emissions) are welcome in “Opportunities to Strengthen Climate Resilience” column of the CRM table or the Impacts & Mitigations section of the IEE. You may choose to accept and not address a climate risk but must justify this decision in the summary narrative and CRM table.
- Measures to reduce COVID-19 spread during the activity are not part of the CRM.

QUESTIONS ABOUT THE CRM?

Please contact your Bureau or Mission Climate Integration Lead (CIL).