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Climate Risk Screening
Overview and USAID's Experience



Jenny Frankel-Reed,
Senior Climate Change Specialist
Global Climate Change Office

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Outline

- Review of the landscape
- Progress at USAID
- Lessons and issues

Landscape

- To date:
  - Many tools over past 10 years, few mandatory and systematically applied
  - Literature reviews and stock-takings 2010, 2011
  - World Bank workshops and reports
- Common steps:
  - Review the climate sensitivity of portfolio (screening *what*)
  - Pilot case studies using programming entry points
  - Develop screening tools (how)
  - Develop information resources to assist with application of tools (using what information)
  - Determine roles and responsibilities, provide assistance (by whom)
  - Monitor and evaluate (to what effect)

Climate Risk Screening Definitions

Function	Description	Question
Risk Screening	Examination of an activity to select or eliminate it from further analysis or to make a diagnosis. Tends to be relatively quick to conduct and broad in scope.	Is there a risk? Is further assessment needed?
Risk Assessment	Determining the nature and extent of risk by analyzing hazards and evaluating vulnerability that could create a threat to people, assets, livelihoods, and the environments on which they depend.	What is the problem?
Risk Analysis	Considering management options to minimize negative impacts and take advantage of opportunities in light of the identified risks.	What are the options?

Adapted from Hammill, A. and T. Tanner (2011)

Main Issues/Decision Points

- Integrating climate risk into **existing tools** like environmental compliance versus creating **new or additional screening procedures**
- Using screening entry points **upstream during strategic planning** versus **downstream at project/activity level**
- Employing a **participatory** screening approach (responsible program staff answer climate risk questions) versus a **black box type of tool** (accepts user inputs and provides an answer)
- Defining risk in terms of project **failure or underperformance**, **increasing vulnerability** and/or **failure to capitalize on opportunities**
- Determining **timescales** of concern for screening

USAID’s experience

- What is climate-sensitive
- Policy and process tools
- Screening examples to date
- Multi-pronged approach

Screening What?
USAID's Development Portfolio

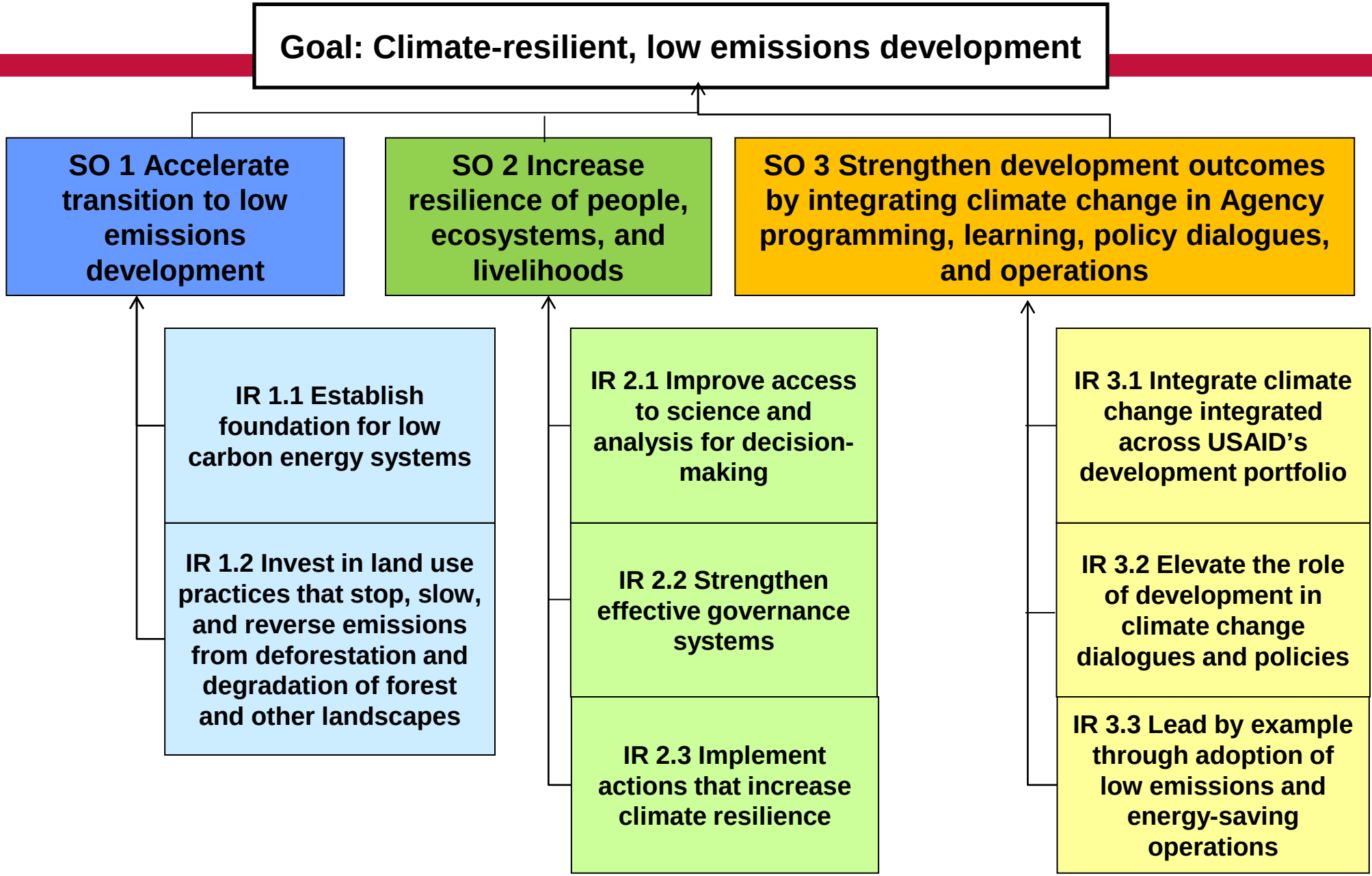
Health	5,452 M
Humanitarian Assistance	**2,081 M**
Infrastructure	**1,334 M**
Agriculture	**1,056 M**
Good Governance	959 M
Education	843 M
Administration and Oversight	624 M
Environment	617 M
Macroeconomic Foundation for Growth	359 M
Conflict Mitigation and Reconciliation	357 M

Top 10 spending categories, FY2012

Policy and Process Entry Points

- **Policy: USAID's Climate Change and Development Strategy** Strategic Objective 3 – "Integrating climate change into agency programming, learning, policy, operations"
- **Regulation 216** (22 CFR 216 applies NEPA internationally) – Environmental impact assessment procedures at project level
  - Sector environmental guidelines promote compliance, including climate change related to agriculture and irrigation, construction, small healthcare facilities, water and sanitation
- **Automated Directives System (ADS)** now requires climate change to be considered in 5-year Country Development Cooperation Strategies (CDCS)

USAID Climate Change and Development Strategy



Program/Project Design Level

Indonesia example:

	Marine and Coastal	Forestry	Energy	Disaster Risk Reduction	Health	Water and Sanitation
Sector context, baseline	15% GDP, mix of customary and statutory mgmt, major carbon sink	Major carbon sink, high biodiversity, major economic sector, indigenous populations	25% population lacks access, unmet demand, poor planning	Highly disaster prone, reactive response rather than proactive risk reduction	Hotspot for pandemics, TB 2nd leading cause of death, poor nutrition	54% access to improved sanitation, lack of awareness and waste treatment
Non climate stresses	Overfishing, habitat degradation	Land conversion, illegal logging, poor enforcement	Increasing demand, weak T&D systems,	Weak governance, poor infrastructure, lack of local EWS	Animal markets, deforestation, weak surveillance	40% NRW, increasing demand, over pumping
Climate impacts	Coral bleaching, shifting species, loss of small islands due to sea level rise	Drought leading to more or more intense fires, rainfall and landslides	Changing seasonality for hydro, heat stress on T&D system	Storms and SLR causing more coastal disaster losses	Heat stress, crop failure, water borne disease	Increasing flood, drought, SLR, seasonal scarcity
Severity	* * * *	* *	* *	* * *	* *	* * *
Donor programs						
Coverage	* *	* * * *	* *	* * *	* *	* *
Gaps						

Multi-pronged approach

Looking forward:

- Streamlined tool(s) to document:
  - Do climate risks face your activity/objective?
  - If so, what are the risks?
  - How will you manage them?
- Guidance and assistance
- Skills development
- Leadership