

CDCS Supplemental Guidance for Integrating Global Climate Change January 9, 2012

This Supplemental Guidance provides additional information to USAID Operating Units on requirements to integrate Global Climate Change into the Country Development Cooperation Strategy (CDCS) planning process. As one of three Presidential Initiatives, Global Climate Change is a high priority of this administration, and the subject of the recently released USAID Climate Change and Development Strategy. All Missions are required to fully consider climate change during the country-level strategic planning process. Section I therefore applies to all Missions, regardless of whether they are projected to receive GCC funds or not. Section II includes additional requirements for Missions expected to receive GCC funds **This Supplemental Guidance is immediately mandatory for all Missions who are launching the CDCS process based on the final CDCS Guidance released in September, 2011. This Supplemental Guidance should inform the CDCS phase 1 Initial Consultations. In addition, PPL, USAID's global climate change team, and the regional bureaus will work with missions that have recently launched their CDCS to determine the applicability of the relevant sections of this Supplemental Guidance.**

Climate variability and change is not a sector unto itself; rather it is a set of global, national, and local challenges that can undermine progress and increase vulnerability and insecurity in development sectors throughout developing countries. The impacts of climate change compound pre-existing and overlapping social, political, and economic stresses, including poverty, hunger, migration, water scarcity, the spread of disease, and conflict, and create new stresses that put development gains at risk. At the same time, climate change challenges offer important opportunities and incentives to make economic growth and social well-being improvements that are sustainable and beneficial to host-country governments and citizens. Therefore, it is incumbent upon USAID to carefully consider the impacts of climate variability and change on our development goals and objectives, on each country's national and local development plans, and on public and private investments when designing strategies and programs. It is also essential for Missions to consider opportunities to reduce greenhouse gas emissions throughout their operations and programming.

The goal of USAID's Climate Change and Development Strategy is to *enable countries to accelerate their transition to climate-resilient, low emission, sustainable economic development.* (See Annex 1 for draft *Climate Change and Development Results Framework*). To accomplish this goal, USAID will:

- SO 1. Accelerate the transition to low emission development through investments in clean energy and sustainable landscapes**
- SO 2. Increase resilience of people, places, and livelihoods through investments in adaptation; and**
- SO 3. Strengthen development outcomes by integrating climate change in Agency programming, learning, policy dialogues and operations.**

Achievement of these strategic objectives will be advanced through two complementary approaches:

1. Integration of climate change issues and actions within other core development objectives and programs (all missions).
2. Dedicated climate change programming that tackles the unique risks and opportunities presented by climate change (selected missions – See list for each pillar in Section II below).

Underlying these objectives, as well as USAID’s Climate Change and Development Strategy, is the following: USAID supports countries to build climate resiliency and to move towards a “low carbon” economic growth pathway. In so doing, we help provide more stable and prosperous futures for the U.S. and for our partners, including new markets for clean technology and expansion of the green economy. If we were not to engage on climate change as we do, it could jeopardize many of the development gains the international community and the U.S. government have worked for decades to secure.

SECTION I. FOR ALL CDCS MISSIONS

Throughout the CDCS process (Consultations, Results Framework and CDCS Development and Approval), Missions are required to demonstrate that they considered integrating climate change mitigation and adaptation into the CDCS through, at a minimum, answering the four questions below, provide references for the information used in answering these questions, and present the evidence-based rationale for the strategic choices made about how to address relevant Climate Change issues. Where appropriate, the Mission may integrate climate change into its Goal, Development Objectives (DOs), Intermediate Results (IRs) or sub-IRs. Missions may also consider a stand-alone DO, IR or sub-IR for climate change. Regardless, Missions should clearly articulate the data-driven basis for decisions and should include proposed and required results and performance indicators that align with the Global Climate Change Initiative. USAID’s Global Climate Change Coordinator, the Office of Environmental Science and Policy in EGAT, the Climate Change Advisors in the Regional Bureaus, and the Climate Change Policy Advisor in PPL will be available during the CDCS Consultation phase, and will provide additional climate-specific assistance during CDCS development and approval.

All operating units should consider the following questions as they develop their CDCS:

- 1) How have previous strategic plans or program results in specific sectors been affected by climate change (such as changes in temperature, rainfall, storm frequency, or coastal degradation)? Did these events disproportionately affect certain regions or populations? How might these or projected future changes in climate affect the mMission’s strategic goals, priority development objectives, intermediate results and activities?

- 2) How have climate events affected citizens and host country government development strategies, activities, and priorities?
- 3) Are there opportunities to avoid or reduce climate impacts by building national, community and household resilience through host country government and non-governmental organization planning? Where can resilience to climate change be factored into the mission's Goal, DOs and IRs and related sectors, including health, education, infrastructure, agriculture, disaster preparedness, natural resources management, economic growth, governance, conflict management, etc.?
- 4) How emissions-intensive are current USAID-funded development or economic growth activities? How emissions-intensive are current host government, private sector, and civil society economic development priorities and investments? How emissions-intensive are current Mission operations? Are there opportunities to achieve development objectives while reducing greenhouse gas emissions through greater efficiency, improved landscape management, and/or use of renewable energy resources?

In all phases of CDCS development, Missions should consider 10 Guiding Principles for climate change analyses and strategic program planning:

- 1) **Invest in policy reforms for climate resilience and enable low emissions development**
- 2) **Engage at multiple levels of government since governance of climate change issues is most often allocated to national, regional (sub-national) and local levels**
- 3) **Strengthen civil society and engage all stakeholders in climate change issues**
- 4) **Respond to partner country government and citizen priorities, needs, and capabilities**
- 5) **Leverage private sector investments to the maximum extent possible**
- 6) **Partner and coordinate with other donors**
- 7) **Make choices to minimize climate impacts while maximizing development benefits**
- 8) **Promote conflict-sensitive programming**
- 9) **Apply mandatory gender analysis when designing and implementing all climate programming and engage women and youth¹**
- 10) **Value ecosystem services and sustainable landscape management.**

¹ Males and females have different skills and experiences, vulnerabilities, and resiliencies that are relevant to climate change. Women often possess special skills and experiences relevant to climate change, especially knowledge of local ecosystems, agriculture and natural resources management. Women may also receive information through different channels than men, which needs to be considered when conducting outreach programming. They hold great potential as entrepreneurs in clean technology and eco-friendly enterprises. Women are also disproportionately vulnerable to the effects of climate change, yet they are often left out of decision-making related to adaptation. As climate change interventions are unlikely to be successful without the support and involvement of women, programming should: 1) ensure that gaps that exist between the vulnerability of males and females are reduced (not widened), 2) enhance the leadership and decision-making role of women and girls in this field, and 3) serve women and girls as effectively as men and boys. Programs to design or promote clean technologies or eco-friendly enterprises need to involve women and men equally as participants, leaders, and beneficiaries to ensure that they will meet the needs of males and females to adapt to and mitigate the effects of climate changes.

SECTION II: ADDITIONAL REQUIREMENTS FOR MISSIONS RECEIVING GCCI FUNDS

MISSIONS RECEIVING GCCI FUNDS MUST REFLECT THE FOLLOWING CRITERIA AND ADDRESS THE QUESTIONS BELOW IN THEIR CDCS AND SUBSEQUENT PROGRAMS:

- A. **Clean Energy:** USAID prioritizes work with a mix of existing major emitters, countries projected to significantly increase greenhouse gas emissions under business-as-usual scenarios, and partners most able and ready to demonstrate leadership in clean energy development.

Missions receiving Clean Energy Funds include: Armenia, Bangladesh, Brazil, Colombia, Georgia, India, Indonesia, Kazakhstan, Kenya, Mexico, Philippines, South Africa, Ukraine, and Vietnam

Regional platforms receiving Clean Energy funds include: East Africa, Southern Africa, West Africa, Regional Development Mission-Asia, Regional Development Mission – Pacific, Eurasia, Europe, South Asia, Central Asia

These missions must answer the following questions:

- 1) How does the CDCS integrate Low Emission Development Strategy² planning and implementation into its DOs and/or IRs?
- 2) How does the CDCS incorporate attention to energy efficiency, renewable energy potential, and energy sector reforms throughout the development portfolio?

- B. **Sustainable Landscapes:** USAID prioritizes work with partner countries with globally important forest landscapes (e.g. the Amazon basin and the Congo basin, which have high current and future carbon storage potential); high demonstration potential (e.g. early movers able to demonstrate credible results-based payments for carbon storage under Reducing Emissions from Deforestation and Degradation or REDD+ programs); commitments to developing monitoring, reporting, and verification systems, and enabling policy structures such as land and resource tenure, and actions to ensure broad-based civic participation in policy-making, legal enforcement and management.

Missions receiving Sustainable Landscapes Funds include: Brazil, Cambodia, Colombia, Ecuador, Ghana, Guatemala, Honduras, India, Indonesia, Malawi, Mexico, Nepal, Peru, Philippines, Vietnam, Zambia

²Under the GCC Presidential Initiative, USAID is committed to help 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. Within this overall focus, we prioritize Low Emission Development Strategies (LEDS). A LEDS is 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.

Regional platforms receiving Sustainable Landscapes funds include: Central Africa, West Africa, Regional Development Mission-Asia, Central America, South America

These missions must answer the following questions:

- 1) How does the CDCS integrate Low Emission Development Strategy (see Footnote 2) planning and implementation into its DOs and/or IRs?
- 2) How does the CDCS incorporate the goal of reducing emissions from deforestation, consistent with the USG REDD+ strategy (available as a reference), or from other land uses such as agriculture?

C. Adaptation: USAID prioritizes work with vulnerable countries, both in terms of exposure to physical impacts of climate change and socio-economic sensitivity to those impacts. These include: the likelihood of significant climatic changes; dependence of population on climate-sensitive sectors; the existence of legal regimes, enforcement mechanisms, and democratic governance systems to mitigate the effects of climate change, and ensure that other marginalized populations are not disproportionately affected; percentage of population in high-risk areas (e.g. urban concentrations in low-lying coastal areas); and the ability of a country's economy to respond to climate changes. Thus, USAID is prioritizing working with least developed countries (especially in sub-Saharan Africa), small island developing states (SIDS), and glacier-dependent countries.

Missions receiving Adaptation Funds include: Angola, Bangladesh, Barbados and the Eastern Caribbean, Cambodia, Colombia, Dominican Republic, Ethiopia, Guatemala, Honduras, India, Indonesia, Jamaica, Kenya, Malawi, Maldives, Mali, Mozambique, Nepal, Peru, Philippines, Rwanda, Senegal, Tanzania, Timor-Leste, Uganda, Vietnam

Regional platforms receiving Adaptation funds include: East Africa, Southern Africa, West Africa, Regional Development Mission-Asia, Regional Development Mission – Pacific.

These missions must focus on building resilience to the impacts of climate variability and change by supporting the implementation of adaptation strategies in countries critically affected by climate change, particularly in Africa, least developed countries, small island developing states, and glacier-dependent countries. With this in mind, the CDCS should answer the following questions:

- 1) Is climate variability and change a current stressor on key development priorities of the country? Is climate variability and change a current stressor driving food insecurity, water scarcity, communicable disease spread, political instability, or other negative effects? Is climate variability and change projected to be a stressor on these same 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? 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 or similar planning instrument that is high quality and thorough? Have vulnerability assessments been completed? What is quality of their analysis or reporting? Are the documents publically available?
- 4) Will your planned programs be negatively impacted by future climate change? If so, consider alternative paths or programs to ensure enduring success of interventions.
- 5) How do current programs begin to mainstream (or integrate) climate resilience into the whole development portfolio? How will the CDCS reflect these mainstreaming efforts?
- 6) How will the CDCS specifically address the need for institutional strengthening, improved governance, and civic participation in planning, preparedness and response essential for building climate resilience?

Annex I. USAID Climate Change and Development Strategy Results Framework

