United States

How are development programmes systematically integrating climate and environment objectives post-COVID-19?

Political commitments, strategies and tools

United States' political commitments

The United States joined other G7 members in statements on climate, environment and biodiversity in the 2021 <u>Carbis Bay Summit Communiqué</u>.

The <u>Biden-Harris Administration</u> is in the process of developing its policies and programmes, and is committed to mobilising a whole-of-society approach that enlists states, cities, businesses large and small, civil society groups, and others to create a net-zero clean energy economy that benefits all. At the 76th session of the United National General Assembly (UNGA 76), President Biden committed to making the United States a leader in public climate financing for developing countries.

The United States has also re-entered the Paris Climate Agreement, convened a <u>Leaders Summit</u>, and appointed a Special Presidential Envoy for Climate. It aims to make the clean energy transformation a central pillar of its economic recovery efforts at home, generating both domestic prosperity and international credibility as a leader of the global climate change agenda. Alongside these efforts, the United States will help partners around the world mitigate and adapt to the effects of climate change, and will stand prepared to provide humanitarian and development assistance to nations and communities.

Targets

The United States Agency for International Development (USAID) intends to include specific targets in the new agency-wide climate strategy, which is currently being drafted. The US government included a set of targets in its <u>Climate Summit Announcements</u>, including the following:

- The United States intends to double, by 2024, its annual public climate finance to developing countries relative to the average level during the second half of the Obama-Biden Administration (fiscal year 2013-16). As part of this goal, the United States intends to triple its adaptation finance by 2024.
- At least one-third of new investments through the Development Finance Corporation will be linked to addressing the climate crisis.
- USAID will leverage an investment of USD 250 million to attract USD 3.5 billion in private sector financing to address the climate crises over the next three years.
- USAID will support pathways to net-zero emissions for up to 20 fast-growing economies by dramatically scaling up USAID's private sector climate finance programmes, including through policy reform and institutional strengthening to achieve dramatic reductions in emissions by 2030.

Specific targets for the next five years include helping 20 countries to mobilise up to 20% of needed funding to implement their Nationally Determined Contributions (NDCs), and helping 20 vulnerable countries double the private sector funds leveraged toward resilience and adaptation goals by 2025.

 USAID will blend forest protection, forest ecosystem restoration, and reforestation through commercial timber to protect and reforest 20 million hectares by 2025.

Strategies and policies for systematic integration

USAID is in the process of developing a new Climate Strategy; the draft will be released for public comment in November 2021. Other forthcoming documents, such as the USAID-Department of State Joint Strategic Plan: 2023-2027, will address the US approach to combating climate change in an integrated, whole-of-government way.

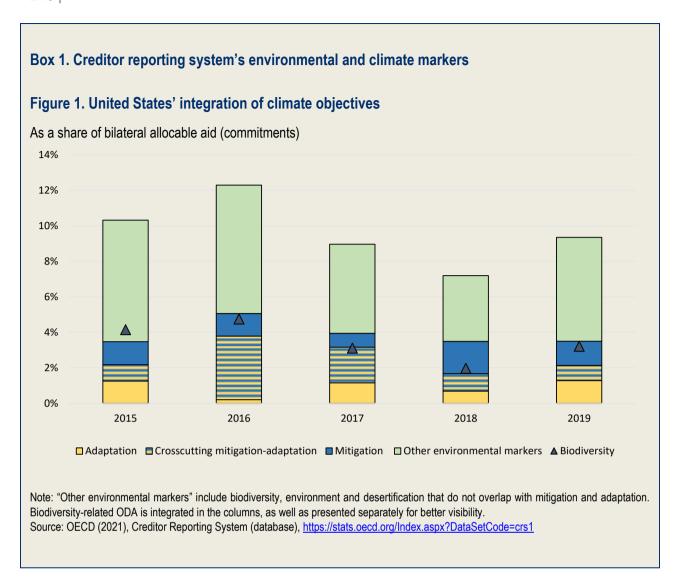
The United States, through USAID, works at the country level to systematically assess, address, and adaptively manage climate risks in Regional or Country Development Co-operation Strategies. Moving forward, the United States is defining further actions to integrate climate mitigation and adaptation into the overall development programming. This includes working to address risk and promote adaptation/mitigation more broadly in sectors such as food security, water, health, humanitarian assistance, democracy and governance, human rights, conflict mitigation, disaster risk reduction, energy and biodiversity conservation.

USAID created its <u>Environmental and Natural Resources Management (ENRM) Framework</u> to co-ordinate, unify, and elevate environment, climate change, and natural resource management work across the Agency. In addition, USAID implementation of the US Indo-Pacific Strategy includes a <u>Natural Resources Safeguards and Security (NRSS) Framework</u> for addressing nature-based solutions for climate change, environmental crimes, sustainable agri-commodity production, green investment, biodiversity conservation, natural resource management, and resilience of people, places, and economies to climate shocks.

Key provisions and pillars

USAID's <u>ENRM Framework</u> responds to global trends and highlights opportunities to strengthen positive linkages in two priority areas: 1) improving natural resource management for self-reliance; and 2) improving urban systems for a cleaner environment and enhanced human well-being. The Framework also explicitly identifies approaches to promote country progress; seek sustainable, resilient results; and invest for measurable impact in environmental and natural-resource management.

The <u>NRSS</u> Framework includes policy and regulatory frameworks for the application of environmental and social safeguards; consistent enforcement of laws against environmental crime; and encouragement of business models for sustainable production of agricultural commodities throughout the Indo-Pacific region.



Operational tools for systematic integration

For international development work, all foreign assistance authorised by the Foreign Assistance Act of 1961, as amended, has legal (FAA Section 117) and regulatory requirements (22 CFR 216) for the examination of the environmental impacts of its actions. These are supplemented in USAID by Agency operational policy (ADS 204) and by over 20 environmental guidelines for specific sectors, such as roads, healthcare waste and mining. USAID's website on environmental safeguards provides guidance, tools and regulations regarding Environmental Impact Assessments (EIAs). USAID also has an extensive programme to ensure that mitigation and monitoring plans are designed and implemented. USAID ensures that staff are trained on EIA and allocates EIA experts to each mission (over 80) to support the development, review and implementation of the impact assessment and the mitigation measures. In order to ensure that the USAID considers climate impacts on its actions, USAID performs climate risk management (CRM).

Furthermore, <u>FAA Sections 118 and 119</u> require that each country strategy statement or other country plan prepared by USAID include an analysis of the actions needed to conserve biodiversity and support the sustainable management of tropical forests and the extent to which USAID addresses the actions identified. Additionally, USAID pays particular attention to projects in national parks and protected areas, those involving <u>Indigenous Peoples</u> and those that affect vulnerable populations.

The regulations, policy, support tools, training, and methodologies uphold USAID's commitment to climate-resilient and environmentally sound decision making throughout the programme lifecycle.

Monitoring, evaluation and learning frameworks

USAID integrates environmental and climate objectives into monitoring, evaluation and learning (MEL) frameworks through the USAID programme cycle and in accordance with relevant regulatory requirements. It is USAID policy (ADS 201) that any needs for MEL or collaborating, learning, and adapting (CLA) be incorporated into the design of all activities and programmes. Using tools such as the 118/119 analyses, CRM screenings, and other environmental guidelines as discussed above, USAID staff and implementing partners are able to develop MEL/CLA frameworks that integrate environment and climate objectives (and mitigate environmental and/or climate risks).

USAID collects standard data on important programme and operational results achieved worldwide, which can then be aggregated to show overall results for foreign assistance. These are used internally as well as for accountability to Congress and the public. These indicators include specific <u>standard indicators</u> for environment (biodiversity), clean energy, climate adaptation and natural climate solutions. USAID and partner staff develop additional custom indicators to meet remaining MEL/CLA needs.

USAID conducts activity performance and/or impact evaluations. For examples, please refer to the MEL sections of the Agency's knowledge portals: <u>climatelinks</u>, <u>biodiversitylinks</u>, and <u>landlinks</u>.

How are development programmes supporting country-owned transitions to environmentally sustainable, low-emissions and climate-resilient development pathways?

Supporting national transition plans that are commensurate with international objectives

Through the Global Climate Ambition Initiative, the US government is committed to supporting developing countries in establishing net-zero strategies, implementing their NDCs and national adaptation strategies, and reporting on their progress under the Paris Agreement. The Department of State and USAID, working with other agencies, co-ordinate US government efforts to support countries around the world to enhance and meet their climate goals in ways that further their national development priorities. This includes engaging strategically with governments, the private sector, civil society, and communities to support transformational policies and programmes, build human and institutional capacity, and create momentum toward a zero-emissions, climate-resilient future.

USAID's new Climate Strategy will outline how the Agency plans to elevate and integrate key and emerging issues around justice and equity, including increased and active collaboration with Indigenous Peoples, women and girls, youth, and others who face the brunt of the climate crisis, have limited access to or influence over decision making, yet are pivotal to addressing climate change effectively. The United States will take steps to ensure that its climate change activities do not perpetuate inequality or cause or exacerbate stressors of conflict, corruption or injustice.

At the <u>G7 Leaders' Summit in Carbis Bay</u>, the United States, along with other G7 members, also welcomed the work by the Climate Investment Funds' (CIFs) <u>Accelerating the Coal Transition (ACT) Program</u> and announced that donors plan to commit up to USD 2 billion in the coming year to support this and other Integrating Renewable Energy programmes. These concessional resources are expected to mobilise up to USD 10 billion in co-financing, including from the private sector, to support renewable energy deployment and transition in developing and emerging economies.

Examples of projects to support national transition plans

- The Transparency and Long-Term Strategies (T-LTS) <u>project</u> supports countries in developing robust, transparent, long-term strategies (LTS) for low-emissions development. This two-year project focuses on building regional and country capacity to model and report on development, economic, and greenhouse gas emissions scenarios to the year 2050. LTS helps to define country priorities and inform the development of near-term activities, such as five-year mitigation targets, to achieve mid-century goals.
- The United States worked with Indonesia on the Climate Change Adaptation and Resilience (<u>APIK</u>)
 project, contributing to the development of Indonesia's National Action Plan for Climate Change
 Adaptation. This plan was later integrated into the Government of Indonesia's 2020-2024 National
 Development Plan, which mobilised over USD 3 billion in funds for climate change adaptation.
- <u>USAID's Vietnam Low Emissions Energy Project</u>(V-LEEP) has been advising the Government of Viet Nam on policies and strategies to facilitate investment in renewable energy development. Thanks in part to this technical assistance, Viet Nam grew from producing less than 10 megawatts of solar power in 2017 to 16 500 gigawatts of solar power by December 2020, with solar energy now making up nearly 24% of the country's power capacity.

Implementing the transition to environmentally sustainable, low-emissions and climateresilient development pathways

The United States is committed to a whole-of-government approach to tackling the climate crisis, including integrating climate considerations across its foreign assistance and development portfolio. A number of interagency strategies, which integrate climate change considerations, are under development or revision — including, but not limited to, the Global Food Security Strategy, the Global Water Strategy, and the Global Fragility Strategy.

A full Biden-Harris Administration National Security Strategy is under preparation in a process managed by the National Security Council. The Department of State and USAID are jointly preparing the next multi-year Joint Strategic Plan to be finalised and released by February 2022. USAID is capturing its approach to helping countries adapt to climate-resilient, low-emissions development pathways in its new Climate Strategy and subsequent implementation plan. At the Agency level, USAID and other foreign assistance agencies and programmes develop and release a range of development policies and strategies based on Administration priorities and leadership, which will include a forthcoming Climate Change Strategy.

The US <u>International Climate Finance Plan</u> outlines several goals related to the provision or mobilisation of financial resources to assist developing countries to reduce and/or avoid greenhouse gas emissions and build resilience and adapt to the impacts of climate change.

The United States intends to double, by 2024, its annual public climate finance to developing countries relative to the average level during the second half of the Obama-Biden Administration (US fiscal year 2013-16). As part of this goal, the United States intends to triple its adaptation finance by 2024. The Biden Administration will work closely with Congress to meet these goals. USAID's forthcoming Climate Strategy, as well as a forthcoming resilience policy, will outline goals and frameworks for achieving climate mitigation and adaptation aims.

<u>USAID's Biodiversity Policy</u> envisions a future in which biodiversity thrives and human well-being increases through improvements in economic prosperity, social equity, and environmental stewardship. USAID works toward two mutually reinforcing goals in pursuit of this vision: 1) conserve biodiversity in priority places; and 2) integrate biodiversity as an essential component of human development.

Support for sustainable, quality infrastructure

At the G7 Leaders Summit in Carbis Bay, President Biden and other G7 Leaders launched the <u>Build Back Better World (B3W) Partnership</u>. Build Back Better World is an initiative for meeting the tremendous infrastructure needs of low- and middle-income countries, by creating a values-driven, high-standard, and transparent infrastructure partnership led by major democracies to help narrow the USD 40+ trillion infrastructure need in the developing world, which has been exacerbated by the coronavirus (COVID-19) pandemic. Through B3W, the G7 and other like-minded partners will co-ordinate in mobilising private-sector capital in four areas of focus — climate, health and health security, digital technology, and gender equity and equality — with catalytic investments from the US respective development finance institutions. B3W efforts will be guided by high standards and principles, such as those promoted by the updated Blue Dot Network (see below). At the QuadSummit in September 2021, the United States and other Quad members advanced several climate and infrastructure-related actions in support of developing countries in the Indo-Pacific region.

The United States, along with Australia's Department of Foreign Affairs and Trade and the Japanese Bank for International Co-operation launched the <u>Blue Dot Network</u> concept, which aims to promote quality infrastructure investment that is open and inclusive, transparent, economically viable, financially, environmentally and socially sustainable, and compliant with international standards, laws, and regulations.

USAID supports the design, rehabilitation, and construction of energy, water, sanitation, and transportation infrastructure, as well as schools and health facilities in more than 60 countries. Through investments abroad, USAID builds local capacity to operate and maintain infrastructure, making countries more resilient to shocks and reducing the need for emergency humanitarian assistance.

USAID infrastructure development goes beyond hardware. USAID helps develop and build the systems that sustain people, their knowledge, their institutions and their resources. These construction activities, overseen by the Agency's professional engineers, are guided by local knowledge, regulations, best practices, and context in order to create systems that are more easily operated and maintained by local entities and experts.

One example of USAID's commitment to quality infrastructure is its collaboration with Japan on the <u>Japan-United States Clean Energy Partnership</u>. The United States and Japan have agreed to the principles of high-quality energy infrastructure, including environmental and social safeguards. Another example is its work under the Asia Enhancing Development and Growth through Energy (EDGE) Indo-Pacific initiative. <u>Asia EDGE</u> promotes open, competitive, and transparent procurements, which lead to high-standard, best-value energy projects.

USAID is also supporting the <u>Coalition for Disaster Resilient Infrastructure</u> (CDRI) to develop and share innovations, policy recommendations and best practices in developing disaster and climate-resilient infrastructure worldwide. USAID will also help countries incorporate best practices into their infrastructure planning, as well as foster partnerships between governments and the private sector to scale up disaster-and climate-resilient infrastructure development.

Examples of projects in support of environmentally sustainable, low-emissions and climateresilient transitions

USAID has on-the-ground networks across the globe that are delivering direct technical assistance programmes for climate change mitigation and adaptation in more than 45 countries, totalling USD 362.5 million in fiscal year 2020.

 The <u>Asia (EDGE)</u> programme supports regional energy market integration, advances innovative energy solutions and systems and modernises utilities. The programme also supports India's

- climate finance goals by increasing private sector participation in the energy sector through project financing and public-private partnership models.
- Green Invest Asia is supporting the transition of agricultural commodity production in Southeast
 Asia toward low-emissions, climate-resilient production models by engaging with private sector
 companies with industry-scale influence to implement zero-deforestation commitments across their
 commodity chains. The programme also works with banks and other financial institutions to apply
 standardised tools for assessing and reducing emissions across their investment portfolios.
- Under the Power Africa Initiative, the United States is committed to transforming the Southern Africa region's reliance on fossil fuels and assisting in a path to decarbonisation. As part of this effort, USAID will partner with the Governments of Botswana and Namibia, the International Finance Corporation, the International Bank for Reconstruction and Development (World Bank), and the African Development Bank to support the largest solar-generation project in Southern Africa estimated at 2 to 5 gigawatts. This project will aim to reduce an estimated 6.5 million tonnes of CO₂ annually the equivalent of taking almost 1.5 million cars off the road by displacing imported coal-generated electricity from South Africa. The Power Africa Initiative has already worked with the Government of South Africa to achieve nearly 2 million new on- and off-grid connections, over USD 4.3 billion of power sector investment mobilised through US Government assistance, and an increase of 662 megawatts of on-grid electricity delivery capacity.

Additional examples can be found in the climate change country profiles found here.

How are development programmes supporting SIDS to achieve sustainable development?

Responding to the particular needs of SIDS

The United States has launched the <u>Small and Less Populous Island Economies Initiative</u> (SALPIE) to counter COVID-19 economic challenges, promote economic recovery, respond to the climate crisis, and advance longer-term shared interests.

USAID partners work with 12 Pacific Island nations to bolster their ability to lead their countries to stable, prosperous futures. The United States focuses on strengthening disaster preparedness and environmental resilience, health and democratic governance. More information on USAID programming in these nations can be found here.

In the Caribbean, the USAID/Eastern and Southern Caribbean (USAID/ESC) Mission's goal for the 2020-25Regional Development Co-operation Strategy (RDCS) is to support the ESC in creating a safe, prosperous, and resilient Caribbean region that supports its vulnerable populations, withstands external shocks, and promotes accountable institutions, economic development and private sector-led growth.

USAID/ESC directs regional programming in 11 countries, 10 of which are in the ESC region: Antigua and Barbuda, Barbados, Dominica, Grenada, Guyana, Saint Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. In April 2020, USAID/ESC also was conferred programmatic oversight of the Bahamas, given USAID's role in disaster preparedness and response programming.

Strengthening the ability to recover from adverse shocks and adapt to climate variability and change is critical to promoting sustainable development. Given ESC countries' commitment to collaborating on shared approaches and outcomes to reduce risk, USAID has an opportunity to focus on increasing information sharing, developing standard practices and policies, strengthening operational systems and increasing community participation and resilience. Efforts will also build on the strong partnerships with regional higher education institutions and government partners, such as the Caribbean Disaster

Emergency Management Agency (CDEMA), to ensure appropriate regional training and awareness regarding climate change. Resilience programming will support key sectors, such as clean energy, agriculture, and water that are critical to supporting economic stability and growth, as well as contingency planning with regard to at-risk youth, who are most likely affected by the knock-on effects of climate change.

Examples of projects in support of SIDS' sustainable development

Through SALPIE, USAID also supports various regional activities that highlight the US commitment and long-standing partnership with eight Caribbean nations: Bahamas, Barbados, Dominican Republic, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines. This programming focuses on climate and energy resilience, disaster risk reduction, development finance and economic growth.

To support sustainable development, the <u>USAID Oceans and Fisheries Partnership</u> (USAID Oceans) combats illegal, unreported, and unregulated fishing; strengthens fisheries management; and engages the private sector to promote a sustainable and transparent seafood supply chain in the Asia Pacific region.

Supporting SIDS' access to finance

The <u>US InternationalClimateFinance Plan</u> encourages agencies to track US climate finance flowing to Small Island Developing States (SIDS) and Least Developed Countries (LDCs) and to efforts supporting Indigenous Peoples, women, and girls and other affected communities. USAID also works with SIDS to build readiness to access climate funding.

The US government, through USAID, has supported partners to access over USD 200 million in climate finance from international organisations such as the Green Climate Fund (GCF), the Adaptation Fund and the Global Environment Facility . This is done through targeted technical support for the development and submission of bankable project proposals that are translated into country-driven actions to respond to the urgent climate change priorities of Pacific Island Countries. For example, the USAID Climate Ready Activity supported capacity-building efforts in the Federated States of Micronesia and Palau, which secured USD 10.4 million in climate change-related grants from the GCF in 2021. This funding will increase the two countries' resilience to the impacts of climate change. USAID Climate Ready continues to support additional Pacific Island Countries and regional organisations with pipeline projects worth USD 393 million, which will result in further resources mobilised for climate action in the Pacific.

The <u>USAID Climate Ready Project</u> works with target Pacific Island Countries to achieve their climate change adaptation goals and become more climate resilient in ways that are country-driven, co-ordinated, inclusive and equitable. Headquartered in Suva, Fiji, with regional offices in Pohnpei, Federated States of Micronesia and Port Moresby, Papua New Guinea, USAID Climate Ready supports Pacific governments to develop climate change adaptation policies and legislation.

Additionally, the US Development Finance Corporation (DFC) has operations in multiple countries, including SIDS. For example, in Tuvalu, the DFC has an investment incentive that establishes a framework that permits DFC's mobilisation of private sector investment, advancing economic growth and development. Under the agreements, DFC may make available its investment tools — including debt and equity financing, insurance, and technical support — to advance economic prosperity.



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