

# USAID's Global Climate Change Program

Addressing the causes and effects of climate change has been a key focus of USAID's development assistance for over a decade. USAID has funded environmental programs that have reduced greenhouse gas emissions while promoting energy reforms to improve efficiency, forest protection, biodiversity conservation, and other development goals. This "multiple benefits" approach to climate change helps developing and transition countries achieve economic development without sacrificing environmental protection. To help countries address domestic and international climate change priorities, USAID's Global Climate Change Program is active in more than 40 countries and, since 2001, has dedicated over a billion U.S. dollars to promote: clean energy technology; sustainable land use and forestry; adaptation to climate change; and climate science for decision-making.

The Europe and Eurasia (E&E) region has substantial production of oil, gas, and coal, including major oil and gas exports from Russia and Central Asia that are important to global and regional energy security, as well as to environmental systems affecting global climate change. Other E&E countries are major



Window weatherstripping at Omurtag Hospital in Bulgaria.

energy importers that are seeking to diversify supplies and reduce their dependence on high-cost imports. USAID's assistance programs in this region have focused on both systemic reform and institution-building, as well as projects that promote more efficient technologies and private investment. National and regional projects have addressed five main areas: developing sound national energy policies, energy prices and legal/regulatory systems; improving efficiency and reducing emissions in various sub-sectors; restructuring, commercialization and privatization of energy utilities and companies; closing high-risk nuclear power plants and improving nuclear safety; and promoting regional energy cooperation and the integration of energy systems into Western Europe and international energy markets.

USAID's Global Climate Change Program is active bilaterally in countries such as Albania, Armenia, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Montenegro, Tajikistan, and Ukraine, and regionally in programs focused on the Central Asian Republics, Southeast Europe and the Black Sea.

## Clean Energy Technology

New technologies and practices offer the prospect for continued economic growth with reduced greenhouse gas emissions. Recognizing that increased productivity and efficiency are critical to economic growth, USAID supports the commercialization, dissemination, and widespread adoption of environmentally sound technologies. Attracting private investment is essential to popularizing such technologies as is a regulatory framework for investment. In the E&E region, USAID has been at the forefront of donor efforts to establish sound legal and regulatory frameworks for investment in the region and to create harmonized regional markets, especially for electricity. USAID has helped build separate, professional energy commissions in most countries and has supported the Energy Regulators Regional Association (ERRA), based in Hungary. ERRA is



Apartment building in Tirana, Albania, which was retrofitted with roof insulation and double glazed windows.

widely recognized for its excellence in developing and disseminating best practices on tariff, licensing, and market issues.

Regulatory development and harmonization is being pursued under the Athens Treaty for the Energy Community, which went into effect in July 2006, and commits the Balkan members to adopt EU energy, competition, and environmental directives. USAID programs have provided training and technical advice to help establish the market designs and rules that will facilitate transparent, efficient commercial markets and attract initial investment for system modernization and efficiency improvement. Substantial efforts have been made and are continuing to develop integrated, reliable

transmission grids in Southeast Europe, the Black Sea, and Central Asia regions.

Energy efficiency opportunities in the E&E region offer substantial and cost effective ways to reduce greenhouse gas emissions as well as improve energy security. As such, USAID has pursued a multi-faceted approach. A basic aim has been to develop institutional capacity, especially in nongovernmental organization Energy Efficiency Centers and through a regional network focused on municipal energy efficiency. USAID has also worked to create industry associations and to promote the creation of energy service companies to carry out projects under shared-savings schemes. Pilot projects have been undertaken in schools (Macedonia), hospitals (Armenia), municipal buildings (Bulgaria and Serbia), and in industries (Ukraine) to demonstrate the substantial returns from energy efficiency investments. Collaboration with the World Bank and European Bank for Reconstruction and Development has led to a number of larger loans by these institutions. A regional Development Credit Authority in Southeast Europe to provide loan guarantees to private lenders has operated successfully in Bulgaria and is being expanded to Macedonia and other countries in the region. There is also a potential for coal bed methane in the region, and USAID is supporting an activity that uses horizontal drilling techniques to extract methane and help improve the dangerous conditions in Ukrainian mines.

## Sustainable Land Use and Forestry

Promoting biodiversity conservation, improved forest management, and sustainable agriculture, USAID programs help mitigate climate change by absorbing and storing carbon dioxide from the atmosphere. They also help reduce the vulnerability of ecosystems to climate change. Reduced-impact logging of forests minimizes loss of vegetative cover, for instance, which helps stabilize the soil and controls erosion during rain

and wind storms. Reduced tillage and contour planting by farmers increase soil organic carbon and therefore enhance soil fertility, which helps increase food security in developing countries.

Through the Forest Resources and Technologies (FOREST) Project, USAID helped to preserve Russian forests, and expand Russia's carbon sink through more effective fire and pest management by encouraging more effective and innovative use of timber and non-timber forest resources. The FOREST Project also worked on reducing illegal logging practices in the Russian Far East through policy reforms. Similarly, in Bulgaria, USAID worked closely with the National Eco Trust Fund to build its capacity to establish and operate the first Protected Areas Fund (PAF). PAF, one of USAID's legacies in Bulgaria, was formally institutionalized as a sustainable mechanism for financing protected areas activities.

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*City of Veliko Turnovo, Bulgaria after replacement of street lights with high efficiency units.  
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*U.S.-made horizontal drill used in a coal mine methane project in Ukraine.  
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*A forest in Macedonia.  
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