



July 2020

CLIMATE CHANGE

USAID Is Taking Steps to Increase Projects' Resilience, but Could Improve Reporting of Adaptation Funding

Accessible Version

GAO Highlights

Highlights of [GAO-20-555](#), a report to congressional requesters

Why GAO Did This Study

USAID is the primary U.S. government agency helping countries adapt to the effects of climate change. USAID has provided this assistance through activities that directly address climate adaptation as well as indirectly through activities that received funding for other purposes, such as agriculture, but which also support climate adaptation goals.

GAO was asked to review issues related to U.S. foreign assistance for climate adaptation. For USAID, this report examines (1) funding the agency provided for climate adaptation assistance in fiscal years 2014 through 2018, and (2) how climate risk management is implemented. GAO analyzed funding data and documentation of agency activities and climate risk management; interviewed agency and project officials; and conducted fieldwork in three countries receiving adaptation assistance—Guatemala, the Philippines, and Uganda. GAO selected these countries based on the amount of funding they received for climate adaptation activities, geographic diversity, and variety of observed and projected climate effects, among other factors.

What GAO Recommends

GAO recommends that USAID communicate to its missions and bureaus that they are expected to report all data on funding that indirectly addresses climate adaptation. USAID agreed with the recommendation and outlined a number of steps the agency plans to take to improve the reporting of these data.

View [GAO-20-555](#). For more information, contact David Gootnick at (202) 512-3149 or gootnickd@gao.gov.

July 2020

CLIMATE CHANGE

USAID Is Taking Steps To Increase Projects' Resilience, But Could Improve Reporting Of Adaptation Funding

What GAO Found

The U.S. Agency for International Development (USAID) provided at least \$810 million to directly and indirectly support climate adaptation from fiscal years 2014 through 2018—the latest available data at the time of GAO's analysis. However, USAID ended new funding for programming activities that directly address climate adaptation (i.e., direct funding) in fiscal year 2017 in part due to a shift in administration priorities, according to agency officials. However, following a congressional directive in the fiscal year 2020 appropriations act, USAID restored direct funding for adaptation programming. GAO found that USAID did not consistently report all funding data for activities that indirectly addressed climate adaptation, which does not align with expectations in foreign assistance guidance and internal controls standards. USAID's direct adaptation assistance had the primary program goal of enhancing resilience and reducing vulnerability. For example, in the Philippines, a USAID activity assisted communities in preparing for extreme weather events by developing maps of potential hazards to aid in evacuation planning. USAID attributed funding that indirectly addresses climate adaptation assistance (i.e., indirect funding) from programs with other goals such as agriculture, where priorities include supporting food production and distribution. For example, in Guatemala, a USAID agricultural activity worked with farmers to transition to crops with greater economic benefits that are also drought tolerant. However, not all missions with indirect adaptation assistance reported these funding data and reporting has varied, in part, because the agency has not clearly communicated the expectation to do so. Without addressing this issue, USAID risks providing incomplete and inconsistent data to Congress and others.

A Community Leader Shows the Hazard Map Prepared as Part of a U.S. Agency for International Development Project to Help Adapt to Climate Change in the Philippines



Source: GAO. | GAO-20-555

Since October 2016, USAID has generally required projects and activities to conduct climate risk management, which is the process of assessing and managing the effects of climate change. USAID requires documentation of this process and GAO's review found 95 percent compliance for USAID's priority countries for adaption funding. USAID has experienced some challenges with its initial implementation of climate risk management and is assessing these challenges and identifying improvements. For example, mission officials said that some technical staff lack expertise to do climate risk management and that their environment offices had a small number of staff to provide assistance. To help staff conduct climate risk management, USAID is building staff capacity through trainings and is in the process of evaluating implementation of the policy and whether it requires any changes, among other efforts.

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Abbreviations

ADS	Automated Directives System
E3	Bureau for Economic Growth, Education, and Environment
SPSD	Standardized Program Structure and Definitions
State	Department of State
State/F	Office of U.S. Foreign Assistance Resources
USAID	U.S. Agency for International Development
USGCRP	U.S. Global Change Research Program

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July 28, 2020

Congressional Requesters

Changes in the climate, such as rising global temperatures and altered rainfall patterns, are already affecting crop yields, with impacts on food security and livelihoods.¹ Climate change may intensify drought and sea level rise and it is expected to increase or worsen extreme weather events, such as floods.² According to the U.S. Global Change Research Program (USGCRP), developing countries are generally at greater relative risk from the impacts of climate change and these impacts threaten to undermine U.S. investments in development.³ In addition, the USGCRP reported that U.S. international development assistance programs invest in sectors such as agriculture, water and sanitation, health, and infrastructure that are vulnerable to the adverse impacts of climate change.⁴

The U.S. Agency for International Development (USAID) is the primary U.S. government agency providing assistance to help partner countries adapt and increase their resilience to climate change and variability. Climate adaptation is the adjustment to natural or human systems in response to actual or expected climate change, including increases in the frequency or severity of weather-related disasters. For example, farmers may adapt to drought by planting crops that require less water. USAID has provided assistance directly through climate adaptation activities as well as indirectly through activities that received funding allocated for

¹Intergovernmental Panel on Climate Change, *Climate Change and Land*, August 7, 2019.

²Melillo, Jerry M., et al, eds., *Climate Change Impacts in the United States: The Third National Climate Assessment*, (Washington, D.C.: U.S. Global Change Research Program, May 2014) and Intergovernmental Panel on Climate Change, 2014: *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Field, C.B., et al (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, 1132 pp.

³Smith, J.B., et al, 2018: *Climate Effects on U.S. International Interests. In Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, Volume II* (Reidmiller, D.R., et al, eds.). U.S. Global Change Research Program, Washington, DC, USA.

⁴Smith, J.B., et al, 2018.

other purposes, such as agriculture, but which also support climate adaptation goals or objectives.

USAID has also begun to manage the risks climate change poses to its programs, requiring, in general, that operating units engage in climate risk management for their projects and activities.⁵ According to USAID, guidance for climate risk management came into effect beginning in fiscal year 2017 and applied to all new development programming starting in fiscal year 2018. USAID defines climate risk management as the process of assessing, addressing, and managing climate risks that may impact the ability of USAID programs to achieve their objectives. According to USAID, the goal of climate risk management is to increase the sustainability, resilience, and impact of USAID's development investments.

You asked us to review issues related to U.S. government foreign assistance for climate adaptation.⁶ This report examines (1) funding USAID provided for climate adaptation assistance in fiscal years 2014 through 2018 and (2) how USAID is incorporating climate risk management into the design and implementation of all its projects and activities in selected countries.

To inform all aspects of our analysis, we selected three illustrative country examples—Guatemala, the Philippines, and Uganda—where we conducted fieldwork. In each country, we visited activity sites and interviewed U.S., foreign government, and implementing partner officials, as well as beneficiaries. We selected our country examples based on the amount of funding allocated for such activities, geographic diversity, and the variety of climate effects, among other factors. To analyze the funding that USAID provided for climate adaptation assistance, we examined USAID's available data on funding directly allocated or indirectly attributed to climate adaptation programming for fiscal years 2014 through 2018, which was the latest available data at the time of our analysis. We reviewed State and USAID guidance on collecting these data and interviewed agency officials responsible for collecting and

⁵According to USAID's guidance, all projects and activities, whether designed by missions or headquarters operating units, are required to assess and address climate risks, with certain exceptions as specified in the guidance.

⁶This is our second report in response to your request. The first report examines issues related to human migration due to climate change, GAO, *Climate Change: Activities of Selected Agencies to Address Potential Impact on Global Migration*, [GAO-19-166](#), (Washington, D.C.: Jan. 17, 2019).

maintaining these data. We determined that these data were sufficiently reliable to account for both all USAID direct climate adaptation allocations and the minimum planned funding attributed to indirect climate adaptation in USAID activities. In addition, we analyzed these data by country and programmatic area to provide examples of the types of climate adaptation assistance USAID provided to selected countries.

To examine how USAID is incorporating climate risk management into project design and implementation, we reviewed project and environmental compliance documents for Guatemala, the Philippines, and Uganda as well as for the 20 other USAID priority adaptation countries for projects and activities starting after October 1, 2016.⁷ Specifically, we reviewed the documents to determine if they contained required climate risk management information. To better understand how USAID implemented climate risk management, we met with staff from the technical offices in the three missions where we conducted fieldwork and with activity managers in one office in each of the four functional bureaus and one central bureau—the Global Development Lab—within USAID’s headquarters. Further details on our scope and methodology can be found in appendix I.

We conducted this performance audit from February 2019 to July 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁷According to USAID, it identified priority countries for climate adaptation according to criteria related to exposure, sensitivity, and capacity and willingness to respond to climate change, with a focus on least developed countries, small island developing states, and glacier-dependent countries. USAID’s priority countries for adaptation funding were Bangladesh, Cambodia, Colombia, Dominican Republic, Ethiopia, Guatemala, India, Indonesia, Jamaica, Kenya, Malawi, Maldives, Mali, Mozambique, Nepal, Peru, Philippines, Rwanda, Senegal, Tanzania, Timor-Leste, Uganda, and Vietnam. The priority regional platforms were East Africa, Southern Africa, West Africa, Regional Development Mission Asia, Barbados and the Eastern Caribbean (renamed Eastern and Southern Caribbean), and Regional Development Mission Pacific.

Background

USAID Organization Related to Climate Adaptation Efforts

USAID is the primary U.S. government agency that provides bilateral assistance to help countries adapt to the effects of climate change.⁸ USAID's operating units include bilateral and regional missions as well as headquarters' bureaus and independent offices.⁹ Missions and bureaus manage a range of projects and activities, mostly intended to meet specific development objectives.¹⁰

USAID's Bureau for Economic Growth, Education, and Environment (E3), through its Office of Global Climate Change, provides technical leadership, field support, and guidance related to integrating climate change, increasing climate resilience, and supporting low emission

⁸As we previously reported, the Department of State (State) also funded a small number of adaptation projects in fiscal years 2014 to 2017. For more information on these eight projects, see [GAO-19-166](#). According to State officials, after we issued that report they identified one additional project related to climate adaptation. In addition, officials said that State has allocated fiscal year 2018 funds under the Indo-Pacific Strategy that have adaptation benefits and that additional Bureau of Oceans and International Environmental and Scientific Affairs fiscal year 2019 funded programs have adaptation benefits.

⁹Headquarters bureaus include both geographic bureaus and functional bureaus. There are six geographic bureaus: the Office of Afghanistan and Pakistan Affairs, Bureau for Africa, Bureau for Asia, Bureau for Europe and Eurasia, Bureau for Latin America and the Caribbean, and Bureau for Middle East. There are four functional bureaus: Bureau for Democracy, Conflict, and Humanitarian Assistance; Bureau for Economic Growth, Education, and Environment; Bureau for Food Security; and Bureau for Global Health. USAID is undergoing a reorganization; the proposed structure for the functional bureaus will be the Bureau for Resilience and Food Security; the Bureau for Conflict Prevention and Stabilization; the Bureau for Humanitarian Assistance; Bureau for Development, Democracy and Innovation; and the Bureau for Global Health.

¹⁰According to USAID, functional bureaus serve as technical leaders for the agency and identify and disseminate good practices to USAID's regional bureaus and missions, among other activities. Regional bureaus are the main link between Washington, D.C., and missions. Regional bureaus are responsible for leading policy and budget decisions, based on regional and country expertise and analyses.

development throughout the agency's work.¹¹ Missions and bureaus also have staff who focus on environmental and climate issues, in particular:

- Environmental officers, who help design and implement activities.
- Mission environmental officers, regional environmental advisors, and bureau environmental officers who conduct environmental compliance reviews to determine the potential impact of a project or activity on the environment, among other responsibilities.
- Climate integration leads, who provide support on climate-related issues, such as explaining and tracking the climate risk management process and serving as the point of contact for communication between USAID headquarters and the missions. Climate integration leads may be environmental officers, mission environmental officers, regional environmental advisors, bureau environmental officers, program officers, or staff in any technical area.

USAID Funding Categories for Climate Adaptation Efforts

USAID, with support from the Department of State (State) Office of Foreign Assistance (State/F),¹² tracks funding allocated for climate adaptation assistance through the Standardized Program Structure and Definitions (SPSD). State and USAID created the SPSPD to provide the agencies with a common set of definitions and a consistent way to categorize and account for foreign assistance. The SPSPD divides foreign assistance into seven categories: (1) democracy, human rights, and governance; (2) economic growth; (3) education and social services; (4) health; (5) humanitarian assistance; (6) peace and security; and (7) program development and oversight. These categories comprise multiple programs areas and program elements. For example, the economic

¹¹USAID officials said that, as of March 2020, the technical leadership of USAID's climate adaptation work has moved to the new Bureau for Resilience and Food Security, and that other climate technical leadership functions will move to the proposed Bureau for Development, Democracy and Innovation.

¹²According to State and USAID, State/F has primary responsibility for managing foreign assistance resources for State and USAID with few exceptions.

growth SPSD category contains 13 program areas, one of which is “Climate Change—Adaptation.”¹³

In addition to the SPSD, State and USAID have also identified “key issues” to help describe how foreign assistance funds are used. Key issues are topics of special interest that are not specific to one operating unit or bureau and are not identified, or only partially identified, within the SPSD. As specified in State’s foreign assistance guidance for key issues, “operating units with programs that enhance climate resilience, and/or reduce vulnerability to climate variability and change of people, places, and/or livelihoods are expected to attribute funding to the Adaptation Indirect key issue.”¹⁴

Using the SPSD program areas and key issues, USAID categorizes the funding for its allocations related to climate adaptation in two ways:

- **Funding that directly addresses climate adaptation** (referred to in this report as direct funding or direct adaptation assistance) is allocated to the “Climate Change—Adaptation” SPSD program area for activities that enhance the resilience and reduce the vulnerability to climate change of people, places, and livelihoods.
- **Funding that indirectly addresses climate adaptation** (referred to in this report as indirect funding or indirect adaptation assistance) is not allocated to a specific SPSD program area. It is funding that is allocated to another SPSD program area and also attributed to the key issue of “Adaptation Indirect,” which is for adaptation activities. The SPSD program area for these activities is not Climate Change—

¹³According to the SPSD, Climate Change—Adaptation is Program Area EG.11, adaptation programs are defined as those that enhance resilience and reduce vulnerability to climate change of people, places, and livelihoods. They may undertake activities in the following areas: improving access to science and analysis for decision making in climate-sensitive areas or sectors; establishing effective governance systems to address climate-related risks; and identifying and disseminating actions that increase resilience to climate change by decreasing exposure or sensitivity or by increasing adaptive capacity.

¹⁴U.S. Department of State, Office of U.S. Foreign Assistance Resources (F), *FY 2017 Key Issues Guidance and Definitions*, August 14, 2017. USAID also follows this guidance, according to officials. The foreign assistance guidance for key issues specifies that funding attributed to the Adaptation Indirect key issue may not also be attributed to the Clean Energy or Sustainable Landscapes key issues (two other indirect key issues under the broader Environment Section) in order to comply with international reporting requirements. However, a given activity may attribute specific portions of its funding to separate key issues. The guidance provides the example that a food security project might attribute a portion of its funds to Adaptation Indirect and a portion to Indirect Sustainable Landscapes.

Adaptation, but components of these activities also have climate adaptation effects. For example, an activity in the environment program area under the SPSD category for economic growth might also address the key issue of indirect adaptation because it helps improve the design of protected marine areas, including adaptation to the impacts of climate change.

Operating units use the SPSD and relevant key issues to categorize funding in their operational plans. State guidance requires that any USAID operating unit receiving foreign assistance funding must complete an operational plan each year. The operational plan is to provide a comprehensive picture of how the operating unit will use this funding to achieve foreign assistance goals and to establish how the proposed funding plan and programming supports operating unit, agency, and U.S. government policy priorities. According to the operational plan guidance, State/F does an initial screening of these plans. According to State and USAID officials, State/F relies on the technical expertise of bureaus, such as E3, and the technical offices within them, to evaluate whether or not operating units have appropriately attributed funding that supports key issues, such as that of indirect climate adaptation.

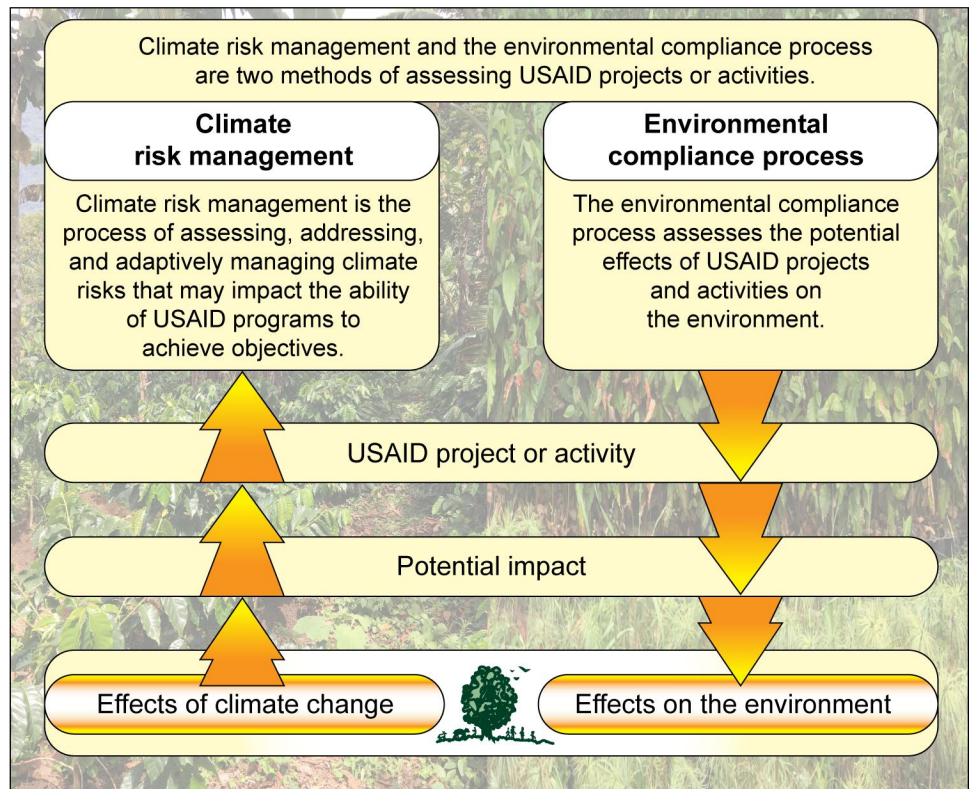
USAID's Climate Risk Management Requirements

USAID generally requires its operating units to assess, address, and manage the climate risks that may affect the ability of agency programs to achieve their objectives. USAID refers to this process as "climate risk management." USAID has required climate risk management for all Country Development Cooperation Strategies developed after October 1, 2015,¹⁵ and has generally required operating units to engage in this process for projects and activities developed after October 1, 2016,

¹⁵Country Development Cooperation Strategies (CDCS) and Regional Development Cooperation Strategies define a mission's goal and objectives for an agreed-upon period, based on a given level of resources, and reflect State-USAID Joint Regional Strategies, Integrated Country Strategies, and the State-USAID Joint Strategic Plan. USAID develops its strategies on a rolling basis, and they generally span 5 years. USAID defines a project as a set of complementary activities, over an established timeline and budget, intended to achieve a discrete development result often aligned with elements of the CDCS. According to USAID, an activity carries out an intervention, or set of interventions, typically through a contract, grant, or agreement with another U.S. agency or partner country government. USAID issues awards to implementing partners to carry out activities and defines award as an implementing mechanism through which USAID transfers funds to an implementing partner, generally selected through a competitive process resulting in a contract, grant, or cooperative agreement.

according to USAID.¹⁶ Climate risk management is distinct from USAID’s existing environmental compliance process, which assesses the potential effects of USAID’s projects and activities on the environment (see figure 1).

Figure 1: USAID’s Climate Risk Management and Environmental Compliance Processes



Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-20-555

As part of its Automated Directives System (ADS), USAID created guidance for how operating units should assess and address climate risks

¹⁶According to USAID officials, the agency developed its climate risk management policies to improve sustainability and development results, to stay current with the practices of other international development donors, and to operationalize the requirements of Exec. Order No. 13,677, *Climate-Resilient International Development*, 79 Fed. Reg. 58,231 (Sept. 23, 2014). Executive Order 13677 required State, USAID, and other U.S. government agencies with direct international development programs and investments to incorporate climate-resilience considerations into decision making by assessing climate-related risks and vulnerabilities.

to their projects and activities by doing climate risk management.¹⁷ For example, the guidance defines climate risk ratings—low, moderate, or high—based on the potential severity and probability of the negative consequences of changing climatic conditions on the project or activity. The guidance also outlines the roles and responsibilities for conducting climate risk management, giving responsibility for climate risk management to design teams with oversight from mission and bureau environment officers and climate integration leads. Furthermore, the guidance requires staff designing projects and activities to document their climate risk management. The documentation for climate risk management includes a summary table with a description of the project elements; key climate risks; the risk rating; how risks are addressed or accepted; further analysis and actions needed at the activity level, if applicable; and opportunities to strengthen climate resilience. Design teams document climate risk management for their projects and activities in:

- project appraisal documents, which define a project’s purpose and how it will achieve that purpose, and is one place the summary table for climate risk management is documented; and
- environmental compliance analyses, which document USAID’s assessment of the potential effects of USAID projects and activities on the environment, and is another place the summary table for climate risk management is documented.¹⁸

USAID Provided at Least \$810 Million for Climate Adaptation Assistance from Fiscal

¹⁷USAID, *Climate Risk Management for USAID Projects and Activities: A Mandatory Reference for ADS Chapter 201*, ADS 201mal, April 26, 2017.

¹⁸According to USAID, there are three main environmental compliance analyses: (1) an initial environmental examination that makes a recommendation as to whether a proposed activity will have a significant impact on the environment; (2) a request for categorical exclusion that is done when all proposed activities do not individually or cumulatively have a foreseeable significant adverse effect on the environment; and (3) an environmental assessment that is a detailed study of the reasonably foreseeable significant effects both beneficial and adverse, of a proposed action on the environment of a foreign country or countries.

Years 2014 through 2018, but Has Not Consistently Reported Funding Data

From fiscal years 2014 through 2018, USAID provided at least \$810 million for climate adaptation assistance by allocating about \$397 million in direct adaptation assistance and attributing about \$412 million to indirect adaptation assistance. In fiscal year 2017, USAID ended new direct funding for climate adaptation programming activities, in part due to a shift in administration priorities, according to USAID officials. However, following a congressional directive in the fiscal year 2020 appropriations act, USAID restored direct funding for adaptation programming.¹⁹ Our analysis of USAID's indirect adaptation assistance found that not all of the agency's operating units reported attributed funding data for these activities, which is inconsistent with expectations in State's foreign assistance guidance for key issues²⁰ and Standards for Internal Control in the Federal Government.²¹

USAID Provided at Least \$810 Million for Climate Adaptation Assistance from Fiscal Years 2014 through 2018 from Multiple Program Areas

From fiscal years 2014 through 2018, USAID provided at least \$810 million for climate adaptation assistance by allocating funding for direct adaptation assistance—programming that aimed to enhance resilience

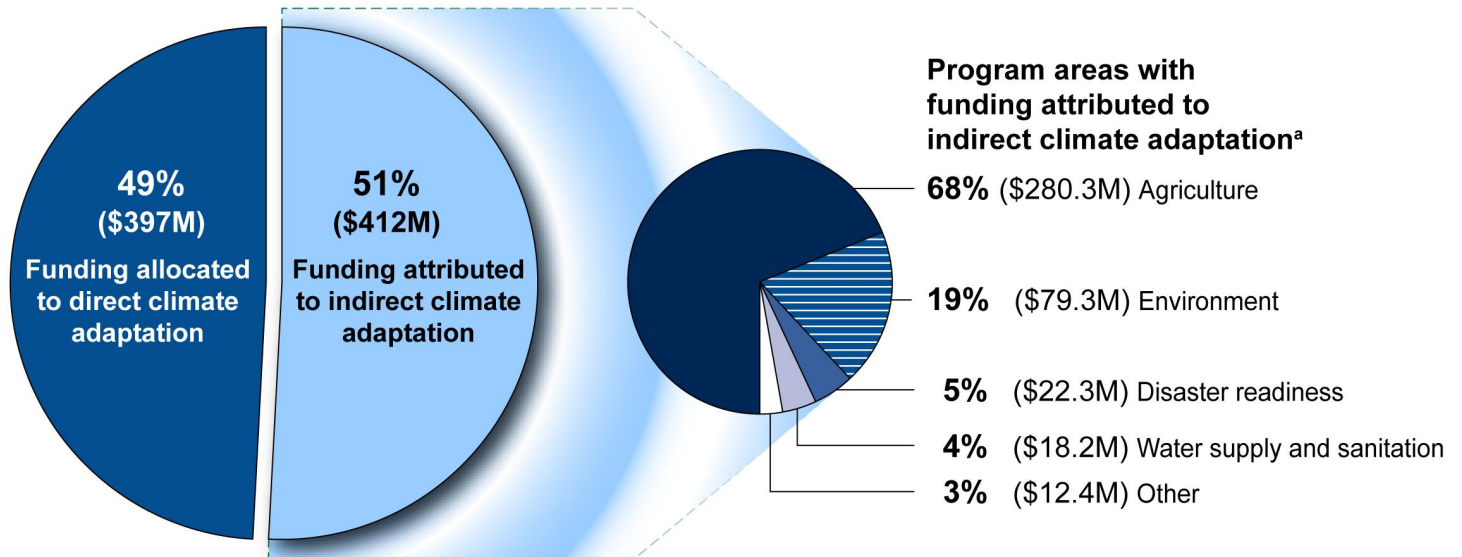
¹⁹In section 7060(c)(5) of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94 (Dec. 20, 2019), Congress directed that, of the funding provided under Title III of the act (Bilateral Economic Assistance) not less than \$177 million shall be made available for adaptation programs. According to USAID officials, based on this congressional directive, in fiscal year 2020 the agency allocated \$63.4 million in direct funding and indirectly attributed \$113.6 to climate adaptation.

²⁰State's key issues guidance, *FY 2017 Key Issues Guidance and Definitions*, provides that operating units are expected to report on any attributions against any key issue that is identifiable in its proposed allocation. USAID also follows this guidance, according to officials.

²¹GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

and reduce vulnerability of populations to climate change²²—and indirectly by attributing funding primarily from four SPSP program areas. About two thirds (68 percent) of such attributions came from the agriculture program area. USAID allocated \$397 million (about 49 percent) to direct adaptation assistance and attributed \$412 million (about 51 percent) to indirect adaptation assistance (see figure 2).²³

Figure 2: USAID Climate Adaptation Activities Funded through Multiple Program Areas from Fiscal Years 2014 through 2018



Source: GAO analysis of U.S. Agency for International Development data. | GAO-20-555

²²In part, direct adaptation assistance supported efforts and priorities under the Global Climate Change Initiative. The Global Climate Change Initiative, established in 2010, aimed to promote resilient, low-emission development, and integrate climate change considerations into U.S. foreign assistance. The Global Climate Change Initiative was divided into three main programmatic initiatives: (1) Adaptation assistance, (2) Clean Energy assistance, and (3) Sustainable Landscapes assistance. Programs at the Departments of State and Treasury, and USAID have funded the Global Climate Change Initiative. The President’s budget has requested these funds under the International Affairs Function 150 account for State, Foreign Operations, and Related Programs, according to the Congressional Research Service (CRS). Many Global Climate Change Initiative activities have been funded at agency sub-account levels, with allocations left to the discretion of the agencies, under congressional consultation, according to CRS. The current administration, in its fiscal year 2018 budget request, did not include any funding for the Global Climate Change Initiative. In addition, that budget request stated that it “Eliminate[d] the Global Climate Change Initiative.” Neither the fiscal year 2019 nor the 2020 budget request included funding for the Global Climate Change Initiative.

²³Data represent allocated amounts for direct adaptation assistance and planned amounts indirectly attributed to adaptation, as reported in USAID’s operational plans.

Appendix I: Objectives, Scope, and Methodology

Notes: "Other" includes the following program areas: private sector productivity; nutrition; social assistance; humanitarian assistance protection; assistance and solutions; and good governance.

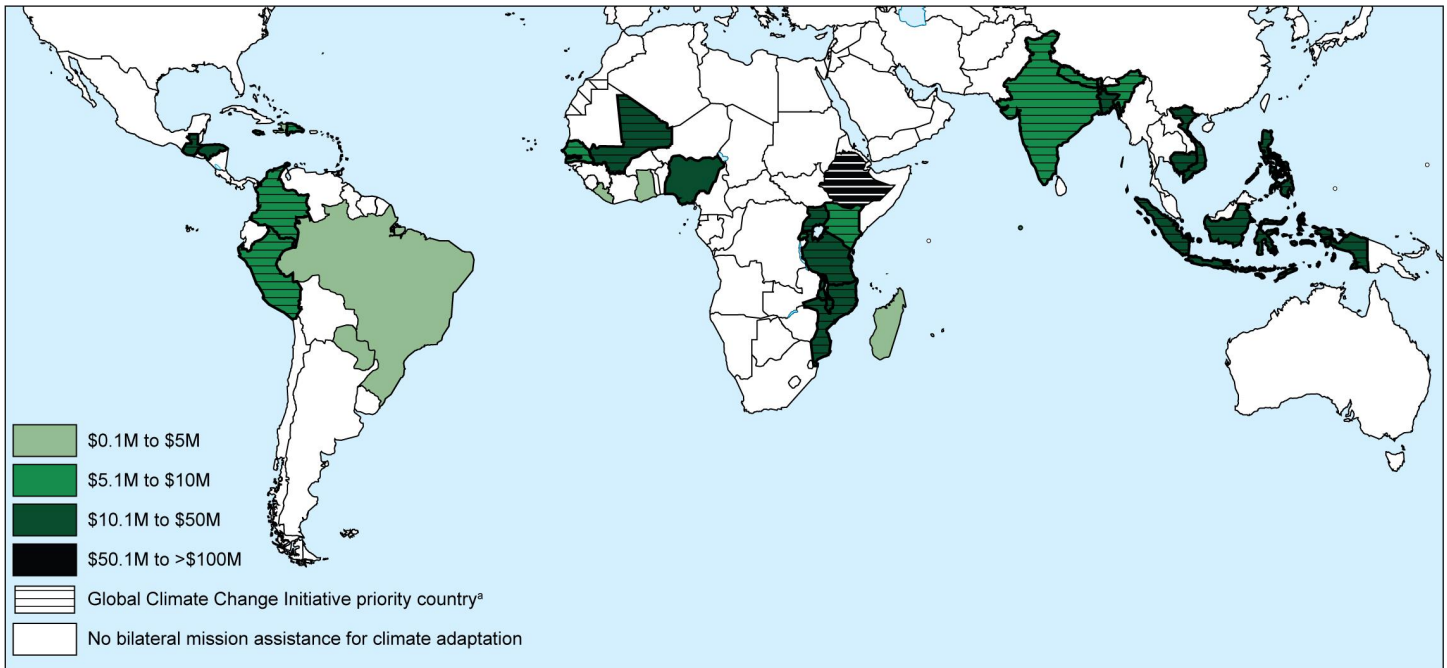
Data represent allocated amounts for direct adaptation assistance and planned amounts indirectly attributed to adaptation in USAID operational plans; however, indirect climate adaptation attributions are minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

Totals may not add to 100 percent due to rounding.

^aProgram areas represent Standardized Program Structure and Definitions (SPSD) program areas with funding attributed to the indirect adaptation key issue.

USAID allocated funding for direct adaptation assistance and attributed funding for indirect adaptation assistance through its bilateral country missions, regional missions, and headquarters bureaus. As shown in figure 3, USAID's bilateral missions provided funding for direct adaptation assistance and attributed funding to indirect adaptation assistance. In total, USAID's bilateral missions provided about half of the agency's climate adaptation assistance (\$426 million), while its regional missions and headquarters bureaus provided the remainder of this assistance, \$57.4 million and \$310 million, respectively. See tables 1 through 3 in appendix II for more information on direct and indirect funding for bilateral missions, regional missions, and headquarters bureaus from fiscal years 2014 through 2018.

Figure 3: Funding Ranges of USAID Bilateral Country Missions Providing Direct Allocations or Indirect Attributions for Climate Adaptation, Fiscal Years 2014 through 2018



Sources: GAO based on U.S. Agency for International Development (USAID) data; Map Resources (map). | GAO-20-555

Notes: Data represent allocated amounts for direct adaptation assistance and planned amounts indirectly attributed to adaptation in USAID operational plans; however, indirect climate adaptation attributions are minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

USAID's mission in the Philippines also manages and supports programs and activities in Mongolia and the Pacific Islands, which include: The Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, the Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

According to USAID, the Global Climate Change Initiative identified priority countries for climate adaptation according to criteria related to exposure, sensitivity, and capacity and willingness to respond to climate change, with a focus on least developed countries, small island developing states, and glacier-dependent countries. USAID's 23 priority countries for adaptation funding were Bangladesh, Cambodia, Colombia, Dominican Republic, Ethiopia, Guatemala, India, Indonesia, Jamaica, Kenya, Malawi, Maldives, Mali, Mozambique, Nepal, Peru, Philippines, Rwanda, Senegal, Tanzania, Timor-Leste, Uganda, and Vietnam. The priority regional platforms were East Africa, Southern Africa, West Africa, Regional Development Mission Asia, Barbados and the Eastern Caribbean (renamed Eastern and Southern Caribbean), and Regional Development Mission Pacific.

In addition to providing assistance through bilateral country missions, USAID also provides climate adaptation assistance through its regional missions, regional programs, and headquarter bureaus, which is not included in this figure.

USAID categorized direct adaptation assistance under one SPSP program area: Climate Change—Adaptation. These funds supported activities with the goal of addressing climate change vulnerabilities in host countries. In total, 23 country missions allocated direct funding during this

time; all but one (Honduras) was a priority country.²⁴ All bilateral and regional missions that allocated direct funding fall under three USAID regions—Africa, Asia, and Latin America and the Caribbean. Additionally, seven headquarters bureaus also allocated direct funding for climate adaptation activities (see appendix II for more information on direct funding amounts for these operating units). During fieldwork in the Philippines, we observed a USAID activity, as shown in figure 4, that previously used direct adaptation assistance to help cities and local communities prepare for extreme weather events, which are expected to become more frequent and intense due to climate change, through community initiatives such as developing maps of potential hazards to aid in land use and evacuation planning (see appendixes III through V for more information about USAID’s climate adaptation assistance programming in Guatemala, the Philippines, and Uganda, respectively).

²⁴According to USAID, the Global Climate Change Initiative identified priority countries for climate adaptation according to criteria related to exposure, sensitivity, and capacity and willingness to respond to climate change, with a focus on least developed countries, small island developing states, and glacier-dependent countries. USAID’s priority countries for adaptation funding were Bangladesh, Cambodia, Colombia, Dominican Republic, Ethiopia, Guatemala, India, Indonesia, Jamaica, Kenya, Malawi, Maldives, Mali, Mozambique, Nepal, Peru, Philippines, Rwanda, Senegal, Tanzania, Timor-Leste, Uganda, and Vietnam. The priority regional platforms were East Africa, Southern Africa, West Africa, Regional Development Mission Asia, Barbados and the Eastern Caribbean (renamed Eastern and Southern Caribbean), and Regional Development Mission Pacific.

Figure 4: A Community Leader Shows the Hazard Map Prepared to Help Adapt to Climate Change in the Philippines



Source: GAO. | GAO-20-555

Indirect adaptation assistance came primarily from four SPSP program areas: agriculture, environment, disaster readiness, and water supply and sanitation. According to USAID officials, the purpose of indirect adaptation assistance is to capture when and where non-climate change activities are likely to have climate adaptation objectives in addition to fulfilling the goals of their own program areas. The primary goals of activities under these four program areas are not climate adaptation, but rather align with their SPSP definition. For example, the SPSP definition of agriculture activities is those activities that support the science and practice of food production and its relationships to natural resources, among other things. However, because some components of these program areas may also help populations adapt to climate change,

USAID attributes funding for those components as indirect adaptation assistance. During fieldwork in Guatemala we observed a USAID agriculture activity that helped farmers transition from planting corn and other crops to amaranth—a drought tolerant crop—to mitigate unpredictable rainfall and extended dry seasons caused by climate change (see figure 5).

Figure 5: Drought-Tolerant Amaranth Planted as a Replacement Crop for Corn as Part of a USAID Agriculture Activity in Guatemala



Source: GAO. | GAO-20-555

As shown in figure 2, in fiscal years 2014 through 2018, USAID attributed funding to the indirect adaptation key issue from primarily the following four SPSP program areas:²⁵

- **Agriculture:** USAID attributed the majority, about 68 percent (\$280.3 million), of its indirect adaptation assistance from the agriculture program area. These activities in this area support the science and

²⁵USAID attributed about 3 percent of its indirect adaptation assistance from the following program areas: private sector productivity; nutrition; social assistance; humanitarian assistance protection; assistance and solutions; and good governance.

practice of food production and their relationships to natural resources, among other things. In total, USAID attributed indirect funding from 22 of these activities.

- **Environment:** USAID attributed about 19 percent (\$79.3 million) of its indirect adaptation assistance from the environment program area. These activities in this area focus on managing the environment and natural resources. In total, USAID attributed indirect funding from 23 of these activities.
- **Disaster readiness:** USAID attributed about 5 percent (\$22.3 million) of its indirect adaptation assistance from the disaster readiness program area. These activities in this area support capacity building to reduce vulnerabilities to disasters and to respond better to humanitarian emergencies. In total, USAID attributed indirect funding from three of these activities.
- **Water supply and sanitation:** USAID attributed about 4 percent (\$18.2 million) of its indirect adaptation assistance from the water supply and sanitation program area. These activities in this area help ensure broadly accessible, reliable, and economically sustainable water and sanitation services. In total, USAID attributed indirect funding from 10 of these activities.

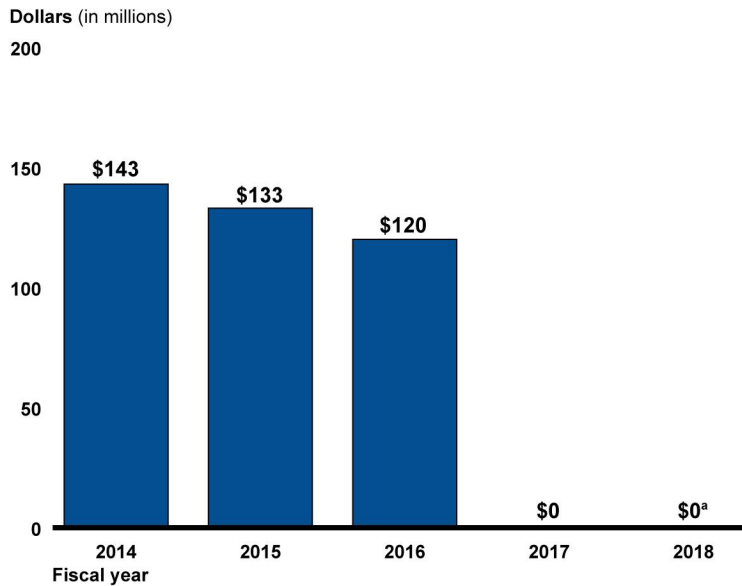
In total, 28 country missions (18 of which were identified as priority countries), four regional missions (two of which were identified as priorities), and three headquarter bureaus reported indirect adaptation assistance. Two operating units—the Bureau for Food Security (\$181 million) and the Ethiopia mission (\$113 million)—accounted for 71 percent (\$294 million) of this indirect assistance (see tables 1 through 3 in appendix II for more information on USAID’s indirect funding amounts).

USAID Allocated \$397 Million for Direct Climate Adaptation Assistance from Fiscal Years 2014 through 2016, but Did Not Allocate Any New Direct Funding in Fiscal Years 2017 and 2018

From fiscal years 2014 through 2016, USAID allocated \$397 million for direct climate adaptation assistance. However, in fiscal year 2017, USAID eliminated direct adaptation assistance funding for new programming activities. As such, in fiscal years 2017 and 2018, USAID did not allocate

new direct funding to operating units for climate adaptation programming activities,²⁶ as shown in figure 6.

Figure 6: USAID New Direct Funding for Climate Adaptation Programming Activities, Fiscal Years 2014 through 2018



Source: GAO analysis of U.S. Agency for International Development data. | GAO-20-555

Note: In section 7060(c)(5) of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, Congress directed that, of the funding provided under Title III of the act (Bilateral Economic Assistance) not less than \$177 million shall be made available for adaptation programs. According to USAID officials, based on this congressional directive, in fiscal year 2020 the agency allocated \$63.4 million in direct funding for climate adaptation.

^aIn fiscal year 2018, USAID's Bureau for Economic Growth, Education, and Environment (E3) allocated about \$2.4 million in direct funding for its adaptation and climate risk management team's administrative functions.

According to USAID, the agency's use of direct funding ended when the primary initiative focusing on climate change adaptation was not renewed

²⁶In section 7060(c)(5) of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, Congress directed that, of the funding provided under Title III of the act (Bilateral Economic Assistance) not less than \$177 million shall be made available for adaptation programs. According to USAID officials, based on this congressional directive, in fiscal year 2020 the agency allocated \$63.4 million in direct funding to climate adaptation.

by the current administration,²⁷ which resulted in affected USAID missions not designing follow-on activities or scaling back on-going activities, according to USAID officials. We discussed examples of the ending of such activities with officials in two of the countries we visited.

Uganda: USAID's Uganda mission used direct funding for an activity, which began in fiscal year 2014, to help the Ugandan government transition its department of meteorology to a semi-autonomous meteorological authority, which provides weather information and forecasts to users, such as farmers. USAID officials in Uganda told us that the mission's activity supporting the Ugandan meteorological authority will not continue after the current project ends, and although the authority receives resources from the government of Uganda, they are insufficient to meet its mandate. According to officials from the meteorological authority, Uganda has traditionally had predictable wet and dry seasons that enabled generations of farmers to develop accurate planting and harvesting schedules. However, Ugandan officials said that climate change has caused the weather to become much more erratic, with occasional droughts during the wet season and rain during the dry season, resulting in decreased yields or post-harvest loss, furthering the need for weather information and forecasts.

Philippines: USAID's Philippines mission used direct adaptation funds to award four pilot grants that aimed to improve water security and watershed management, as well as strengthening local government units and marine protected areas in their ability to adapt to climate change. The mission designed these grants to increase the capacity of beneficiaries to adapt to the impacts of climate change. According to mission officials, these grants were the first time the mission implemented an adaptation program with direct funding. However, according to mission officials, the mission did not continue the program beyond the pilot phase because of

²⁷In part, direct adaptation assistance supported efforts and priorities under the Global Climate Change Initiative. The current administration, in its fiscal year 2018 budget request, did not include any funding for the Global Climate Change Initiative. In addition, that budget request stated that it "Eliminate[d] the Global Climate Change Initiative." Neither the fiscal year 2019 nor the 2020 budget request included funding for the Global Climate Change Initiative. In section 7060(c)(5) of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94 (Dec. 20, 2019), Congress directed that, of the funding provided under Title III of the act (Bilateral Economic Assistance) not less than \$177 million shall be made available for adaptation programs. According to USAID officials, based on this congressional directive, in fiscal year 2020 the agency allocated \$63.4 million in direct funding for climate adaptation.

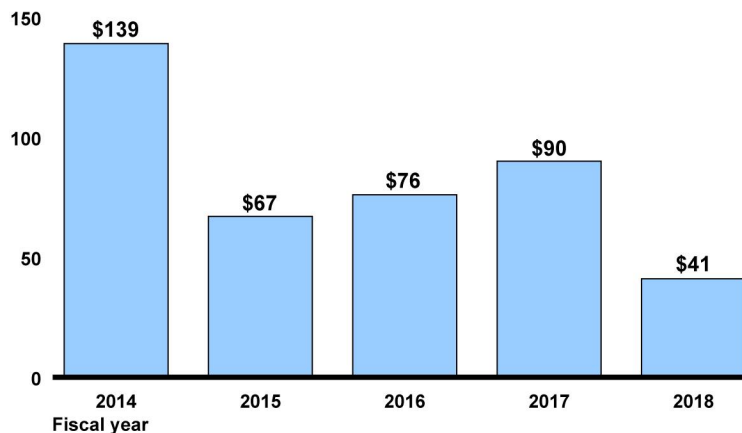
the loss of direct funding, and these activities ended in fiscal years 2016 and 2017.

USAID Did Not Consistently Report Funding Data for Assistance that Indirectly Addressed Climate Adaptation

USAID's funding attributed to indirect adaptation assistance varied annually from fiscal years 2014 through 2018, and totaled at least \$412 million (see figure 7). However, our analysis found that not all operating units with activities that could be attributed to indirect adaptation reported these funding data in their operational plans.

Figure 7: USAID's Funding Attributed to Indirect Climate Adaptation, Fiscal Years 2014 through 2018

Dollars (in millions)
200



Source: GAO analysis of U.S. Agency for International Development data. | GAO-20-555

Note: Data represent planned funding reported in USAID operational plans; however, indirect climate adaptation attributions are minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

According to USAID officials, E3 is responsible for overseeing and leading the review of climate data in operational plans. Of the 35 operating units that attributed funding to the indirect adaptation key issue from fiscal years 2014 through 2018, seven missions and one bureau did not report any attributed funding in fiscal years 2017 or 2018. All eight of these operating units during that time had ongoing activities that indirectly attributed funding to climate adaptation.

Since fiscal year 2010, State and USAID have identified indirect climate adaptation as a key issue. According to State’s foreign assistance guidance for key issues—which USAID follows, according to officials—operating units are expected to attribute funding to any key issues that they can identify, and report that data to headquarters.²⁸ Additionally, Standards for Internal Control in the Federal Government states that management should use quality information that is, among other things, complete and accurate to achieve the entity’s objectives, including obtaining relevant data from reliable sources.²⁹

According to USAID E3 officials, there are two primary reasons why not all operating units reported the data:

- First, E3 has been unclear in its communication with operating units on the expectation to report indirect adaptation attributions. The guidance states that operating units are expected to attribute funding to the indirect adaptation key issue and report the data to headquarters in their operational plans. However, in September 2017 and during subsequent operational plan review periods, E3 officials said that they communicated to some USAID operating units that even if they had activities that should attribute funding to the indirect adaptation key issue, but did not report these data in their operational plans, it was likely that State/F would still approve their plans. According to the officials, this is because key issues, including the indirect adaptation key issue, lack set funding levels.³⁰ As previously noted, according to State and USAID officials, State/F relies on the technical expertise of bureaus, such as E3, and the technical offices within them, to ensure operating units have appropriately attributed funding that supports key issues, such as the key issue of indirect climate adaptation.
- Second, according to USAID officials, the shift in policy priorities with the change of administration in fiscal year 2017 also placed much less emphasis on climate adaptation programming, which coincided with

²⁸U.S. Department of State, Office of U.S. Foreign Assistance Resources (F), *FY 2017 Key Issues Guidance and Definitions*, August 14, 2017.

²⁹GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

³⁰In this report, we use “set funding levels” in place of “controls.” According to State’s operational plan guidance, following the annual passage of appropriations legislation for State and USAID, State and USAID establish budgetary levels or “controls” to guide the execution of the overall foreign assistance budget as required by section 653(a) of the Foreign Assistance Act.

the end of direct funding for new programming activities. These officials stated that this might have caused confusion, as some operating units may have perceived that reporting on indirect adaptation would be inconsistent with current administration policy.

In the absence of all USAID operating units reporting data for the key issue of indirect adaptation assistance, the agency risks providing incomplete information about this programming to users of these data and may not have a full understanding of how its programs contribute to climate adaptation efforts. According to USAID officials, they use these data to fulfill requirements for the Organization for Economic Co-operation and Development-Development Assistance Committee (DAC), specifically related to the Rio Markers for Climate Mitigation and Adaptation³¹ and the United Nations Framework Convention on Climate Change. By making operating units aware of the expectation to report all funding attributed to this key issue, USAID could help ensure that it reports complete and consistent funding data on U.S. foreign assistance for climate adaptation internally and to international organizations.

³¹According to Organization for Economic Co-operation and Development (OECD) documentation, since 1998, the OECD has monitored development finance flows targeting the objectives of the Rio Conventions on biodiversity, climate change, and desertification through using the so-called “Rio markers.” The Conventions designed the Rio markers to help members prepare their National Communications or National Reports to the Rio Conventions, by identifying activities that mainstream the Conventions’ objectives into development co-operation. Members indicate for each development finance activity if the activity targets environmental objectives. The Conventions introduced the Rio markers on biodiversity, climate change mitigation, and desertification in 1998, and added a fourth marker on climate change adaptation in 2010, according to the OECD.

USAID Complied with Climate Risk Management Requirements and Is Assessing Challenges Staff Have Experienced with the Process

USAID Programs Complied with New Climate Risk Management Requirements

USAID generally requires projects and activities—regardless of program area—to conduct climate risk management, which the agency views as an important process for ensuring that climate risks do not undermine the achievement of its development objectives.³² We reviewed 119 environmental compliance analyses, in which USAID documents this process, for projects and activities that started after October 1, 2016, and found that 113³³ of them (about 95 percent)³⁴ included the documentation

³²USAID, *Climate Risk Management for USAID Projects and Activities: A Mandatory Reference for ADS Chapter 201*, ADS 201mal, April 26, 2017. Climate risk management is generally required for projects and activities that started after October 1, 2016, when this guidance came into effect, according to USAID. Climate risk management is not required for funds planned for administration and oversight and program design and learning, international disaster assistance account funds, Food for Peace Title II emergency food assistance programs, those funded using only Global Climate Change Initiative Adaptation funds, and certain types of implementing mechanisms. USAID officials indicated that none of the exceptions applied to the projects or activities we reviewed.

³³USAID provided several explanations for why the six environmental compliance analyses in which projects or activities had not documented climate risk management. USAID explained that three of the activities had determined no climate risks existed, but had not documented this outcome; one activity focused on climate risk so had not done a separate climate risk management assessment; for one activity, the implementing partner must do the climate risk management but has not completed all of these analyses and the activity manager plans to follow-up to ensure compliance; and for one activity, USAID officials said that they managed for climate risk, but the process and documentation did not follow standard agency procedures because of a compressed timeframe.

³⁴As part of USAID's monitoring of its implementation of climate risk management, the agency has also conducted its own review of environmental compliance analyses to determine whether projects documented climate risk management as required. USAID's Office of Global Climate Change found a compliance rate by number of documents of 80 percent in fiscal year 2017 and 93 percent in fiscal year 2018.

required by the ADS for climate risk management.³⁵ We also examined environmental compliance analyses for all the projects implemented by the three missions where we conducted fieldwork—Guatemala, the Philippines, and Uganda.³⁶ We found that the missions had documented climate risk management for all projects except one. A mission official said that because this project focuses on resilience, it already identified and rated climate risks and will do further climate risk management at the activity-level.³⁷

USAID’s Missions and Bureaus Have Implemented Climate Risk Management in Various Ways

USAID has divided implementation of climate risk management into four phases: (1) planning an assessment of climate risks, (2) conducting an assessment of climate risks, (3) incorporating the results of climate risk management into the project or activity, and (4) implementing and managing the response to any climate risks.

- **Planning an assessment of climate risks (phase 1).** USAID staff first develop a plan for assessing the climate risks to the project or activity by determining who will do the assessment, when, and how.
- **Conducting an assessment of climate risks (phase 2).** USAID staff or implementing partners assess climate risks by reviewing climate information—such as existing USAID assessments of climate vulnerability for a country—to identify the risks, rate the risks, and determine how the project or activity will address or accept the risks. Either USAID mission and bureau staff or its implementing partners

³⁵We searched USAID’s Environmental Compliance Database—an online resource which contains copies of the environmental compliance analyses prepared and approved by USAID missions and bureaus—for all documents for USAID’s 23 priority adaptation countries for projects and activities that started after October 1, 2016. Using these parameters, in June 2019, we downloaded 996 documents. We then used a textual analysis program to scan each document based on a lexicon of words and phrases related to climate risk management and for activity start dates beginning in fiscal year 2017. The program identified 183 relevant documents. We conducted a manual review to verify these results and identified an additional 64 documents that were outside the date range for climate risk management leaving 119 relevant documents.

³⁶Some of the environmental analyses we reviewed for Guatemala, the Philippines, and Uganda were also part of the broader review of the 119 the environmental compliance analysis documents.

³⁷We reviewed activity-level environmental compliance analyses for the four activities that started under this project since the requirement for climate risk management went into effect and found that they had documented climate risk management.

can assess the climate risks. Some USAID officials said they did their own assessments while other USAID officials said that they had implementing partners do the assessments as part of their applications for awards by, for example, completing the climate risk management summary table.

- **Incorporating the results of climate risk management into the project or activity (phase 3).** USAID staff incorporate the results of climate risk management into the project or activity. For example, staff may refine the project's objectives due to climate risks and document the results. USAID has also created guidance with sample language for climate risk management that staff can use when drafting solicitations. Some implementing partners we met with described how they had responded to the results of climate risk management in the awards for their activities. For example, one implementing partner in Guatemala—working on an agriculture activity—developed a number of adaptation options for the activity, such as planting climate resilient crops, based on the results of climate risk management contained in the activity award. Another implementing partner in the Philippines—working on a health activity—developed a tool to ensure continuity of family planning services during a disaster based on the assessment for climate risk management contained in the activity award (see the text box for a climate risk management example).
- **Implementing and managing the response to any climate risks (phase 4).** USAID staff implement and manage the response to any climate risks by incorporating climate risks in activity implementation and the monitoring, evaluation, and learning process. For example, some USAID officials said that climate risk management is monitored using environmental mitigation and monitoring plans. These plans address both climate risk management as well as how the activity is mitigating its own impacts on the environment.³⁸ Other operating units

³⁸USAID uses environmental mitigation and monitoring plans to ensure it incorporates environmental compliance requirements into the activity design.

monitor climate risk management through monitoring, evaluation, and learning plans, according to USAID officials.

Example of Climate Risk Management: USAID’s ReachHealth Activity in the Philippines

Activity Summary: A 5-year award for \$46 million that aims to improve the health of underserved Filipinos by reducing the unmet need for family planning services, teenage pregnancy, and newborn morbidity and mortality.

Climate Risk Management Steps:

- **Planning and Conducting the Assessment of Climate Risks:** To assess climate risks for the activity, the USAID/Philippines Health Office used existing assessments of climate vulnerability and risk analyses conducted by USAID and the Philippine government, among others. The assessment of climate risk found one moderate risk based on the impacts from extreme weather and increased flooding, which could, for example interrupt the delivery of health services.
- **Incorporating the Results of Climate Risk Management into the Project or Activity:** USAID/Philippines documented the assessment of climate risk in the project’s environmental compliance analysis and included this information in the ReachHealth award. For example, the award requires the implementing partner to address the impacts of climate change on all activities found to be moderate or high risk such as the delivery of health services.
- **Implementing and Managing the Response to any Climate Risks:** ReachHealth has developed a work plan for climate risk management with activities and timeframes. For example, the activity has developed a rapid assessment checklist for family planning for use during disasters to ensure continuity of services.

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-20-555

USAID Staff and Implementing Partners Experienced Challenges with Climate Risk Management, but the Agency is Evaluating How to Address These Issues

USAID staff we met with described challenges they have experienced in conducting climate risk management.³⁹ Staff from missions, bureaus, and E3’s Office of Global Climate Change have undertaken efforts to assess and address these challenges and identify recommendations for improving the process for climate risk management.

³⁹E3’s Office of Global Climate Change has identified similar challenges through surveys it has conducted on climate risk management.

Challenges with Climate Risk Management

USAID officials we met with said that both USAID technical staff and implementing partners had some difficulty understanding and incorporating climate risk management into their work.

- **USAID staff challenges.** Some USAID officials said a lack of expertise among technical staff—who design projects and activities—to do climate risk management is a challenge and that their environment offices had only a small number of staff, such as the mission environment officer, to provide assistance. In addition, officials at two missions we visited said that technical staff initially had difficulty understanding the requirement for climate risk management. Some USAID officials also identified challenges related to identifying climate risks within their program areas. For example, officials said that it was initially difficult to identify climate risks in areas such as education, where the risks are not obvious compared, for example, to agriculture activities, or their awards focused on holding workshops, which made it difficult to determine how climate change would affect those activities. Some officials also described climate risk management as being a “check-the-box” exercise and one requirement among many that they needed to get an activity or project approved.
- **Implementing partner challenges.** Some USAID officials said that climate risk management can also be challenging for implementing partners because they lack the staff capacity to address climate risk or environmental compliance requirements or are confused about the difference between the two requirements. Officials in one mission also said that it could be challenging for implementing partners to meet the requirement for climate risk management and still provide the direct services that are part of their activities.

Addressing Challenges with Climate Risk Management

To help staff conduct climate risk management, E3’s Office of Global Climate Change has also engaged in efforts to support and improve climate risk management, build agency capacity, and identify process improvements. According to Office of Global Climate Change officials, USAID supports the implementation of climate risk management in three important ways:

- **Climate Integration Leads.** Missions have climate integration leads, who provide support on climate-related issues and serve as the point

of contact for communication between USAID headquarters and the missions. For example, officials said that climate integration leads have helped to disseminate information on challenges staff have experienced conducting climate risk management and recommendations to address those challenges.

- **Climatelinks.org Website.** The climatelinks.org website has resources and examples for staff and implementing partners to use when conducting climate risk management. These resources include climate risk profiles that provide missions with country and regional information on climate stressors and risks, a tool for technical staff to use to screen projects and activities for climate risks, and a monitoring and evaluation guide for climate risk management.
- **Capacity Building.** Officials said that they are building staff capacity through in-person and online trainings, a coaching program, and virtual and in-person technical support in Washington, D.C. and the field. For example, officials from the office said that training for climate risk management is included in the agency's activity and project design courses and in other courses, such as environmental compliance training and a specific training for new global health employees. According to officials, the coaching program provides mission staff with on-the-job support and learning. The office has also conducted two pilot trainings on climate risk management for implementing partners.

In addition to these efforts, in 2019, the office hired a contractor to conduct an evaluation of the process for climate risk management, according to USAID officials. The evaluation will address questions related to how climate risk management has affected USAID programming and how USAID can improve the process. Officials said that once the evaluation is complete, around August 2020, they will assess what changes they may need to make to the climate risk management policy.

Conclusions

USAID is the primary U.S. government agency providing climate adaptation assistance to countries that are among the most vulnerable to the observed and projected impacts of climate change, such as rising global temperatures, changing rainfall patterns, and more frequent extreme weather events. Since 2016, according to USAID, the agency has generally required that projects and activities, regardless of program area, conduct climate risk management. According to USAID, climate risk

management is important because climate risks, if not addressed, may undermine the achievement of the agency's development objectives. While USAID continues to screen its projects and activities for climate risks, in fiscal years 2017 and 2018 the agency did not allocate direct funding for new activities that address climate adaptation in partner countries. USAID continues to indirectly address climate adaptation in partner countries through projects and activities that focus on agriculture, the environment, and other program areas. However, it has not consistently reported data on funding for these efforts—an expectation based on foreign assistance guidance and internal controls standards. USAID thus risks reporting incorrect data internally and to international organizations, and may lack a full understanding of how its programs contribute to climate adaptation efforts.

Recommendation for Executive Action

We are making the following recommendation to USAID:

The Administrator for USAID should communicate to all missions and bureaus the expectation that they report data on all funding attributed to the key issue of indirect climate adaptation. (Recommendation 1)

Agency Comments and Our Evaluation

We provided a draft of this product to State and USAID for review and comment. USAID provided written comments, which we have reprinted in appendix VI. In its comments, USAID agreed with our recommendation and outlined the steps the agency would take to implement it. USAID also provided technical comments, which we incorporated as appropriate throughout our report. State did not provide comments.

We are sending copies of this report to the appropriate congressional requesters, the Secretary of State, and the Administrator of USAID. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact David Gootnick at (202) 512-3149 or gootnickd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VII.

Appendix I: Objectives, Scope, and
Methodology

A handwritten signature in black ink, reading "David Gootnick". The signature is written in a cursive style with a large, looping initial "D".

David Gootnick
Director, International Affairs
and Trade

List of Requesters

The Honorable Sheldon Whitehouse
Ranking Member
Subcommittee on Clean Air and Nuclear Safety
Committee on Environment and Public Works
United States Senate

The Honorable Dianne Feinstein
United States Senate

The Honorable Edward J. Markey
United States Senate

The Honorable Jeffrey A. Merkley
United States Senate

The Honorable Elizabeth Warren
United States Senate

Appendix I: Objectives, Scope, and Methodology

This report examines (1) funding that the U.S. Agency for International Development (USAID) provided for climate adaptation assistance in fiscal years 2014 through 2018 and (2) how USAID is incorporating climate risk management into the design and implementation of all of its projects and activities in selected countries.

To inform all aspects of our analysis, we selected three illustrative country examples—Guatemala, the Philippines, and Uganda. We selected these countries based on a combination of factors including: a high amount of funding allocated and attributed for climate adaptation activities in fiscal years 2014 through 2018, geographic diversity, and variety of observed and projected climate effects. During fieldwork in these countries, we interviewed U.S., foreign government, and implementing partner officials. We also conducted site visits to activity sites to view and discuss activity design and implementation with these officials and beneficiaries.

To analyze the funding that USAID has provided for climate adaptation assistance, we examined USAID's available data on funding directly allocated or indirectly attributed to climate adaptation programming for fiscal years 2014 through 2018—the latest available data at the time of our analysis. These data came from the Department of State's (State) Foreign Assistance Coordination and Tracking System—Next Generation (FACTS Info NextGen); State and USAID's central information system for all foreign assistance budgeting, operational planning, and performance management process. Additionally, we met with State and USAID officials responsible for managing and reviewing data in this system. To ensure that we accounted only for funding that USAID identified as either directly or indirectly addressing climate adaptation, we removed activities, in consultation with State and USAID officials, from the dataset that did not pertain to climate adaptation. We also reviewed State and USAID guidance on collecting and reporting these data, and determined that the data were sufficiently reliable to account for both direct climate adaptation allocations and the funding attributed to indirect climate adaptation in USAID activities. However, because at least eight USAID operating units with activities indirectly addressing climate adaptation in fiscal years 2017 and 2018 did not report such data, the data we present in this report on

such indirect funding represent the minimum planned funding, as we were not able to determine the total funding attributed to this assistance. To determine the amount USAID operating units allocated to direct funding and attributed to indirect funding, we grouped the operating units into the following categories to calculate the amount of both types of funding each category received: (1) bilateral country missions, (2) regional missions, and (3) headquarters functional and regional bureaus.

In addition, we analyzed these data by programmatic area and country to provide examples of the types of climate adaptation assistance USAID provided to selected countries. USAID and State track funding allocated and attributed for climate adaptation assistance through the Standardized Program Structure and Definitions (SPSD), the system the agencies use to categorize and account for foreign assistance. The SPSP divides foreign assistance into seven categories, program areas, and program elements. The economic growth category contains the “Climate Change—Adaptation” program area. Other SPSP categories include: democracy, human rights and governance; education and social services; health; humanitarian assistance; peace and security; and program development and oversight. We analyzed the USAID climate adaptation data from FACTS Info Next Gen to determine the programmatic areas from which USAID had attributed indirect adaptation assistance. USAID officials said they were not able to identify a consistent source of data for direct and indirect funding amounts for the climate adaptation activities in our selected countries from fiscal years 2014 through 2018, as a result we do not report these data.

To examine how USAID is incorporating climate risk management into the design and implementation of all of its projects and activities in selected countries, we reviewed USAID’s Automated Directives System (ADS) guidance and other agency documents that describe the climate risk management process and requirements.¹ We also discussed the process and requirements with USAID officials in Washington, D.C., and in Guatemala, the Philippines, and Uganda. The ADS guidance requires

¹USAID, *Climate Risk Management for USAID Projects and Activities: A Mandatory Reference for ADS Chapter 201*, ADS 201mal, April 26, 2017. USAID generally requires climate risk management for projects and activities that started after October 1, 2016, according to USAID. It does not require climate risk management for funds planned for administration and oversight and program design and learning, international disaster assistance account funds, Food for Peace Title II emergency food assistance programs, those funded using only Global Climate Change Initiative Adaptation funds, and certain types of implementing mechanisms. USAID officials indicated that none of the exceptions applied to the projects or activities we reviewed for the purposes of this report.

staff designing projects and activities to document climate risk management in environmental compliance analyses. We reviewed such documents for projects in Guatemala, the Philippines, and Uganda starting after October 1, 2016, to determine if these documents contained required climate risk management information.

To obtain a broader context, we also searched USAID's Environmental Compliance Database—an online resource that contains copies of the environmental compliance analyses prepared and approved by USAID missions and bureaus—for all documents for USAID's 23 priority adaptation countries for projects and activities that started after October 1, 2016.² We downloaded 996 documents from the database in June 2019. We then used a textual analysis program to scan each report based on a lexicon of words and phrases related to climate risk management and for activity start dates beginning in fiscal year 2017 when USAID indicated that the requirement for climate risk management went into effect. The program identified 183 relevant documents. For those documents the program identified as falling within the appropriate timeframe and as containing or not containing words and phrases related to climate risk management, we conducted a manual review to verify the results. As a result of this manual review, we identified an additional 64 documents that were outside the date range for climate risk management, leaving 119 relevant documents. Of those 119 documents, we identified 113 for which USAID had conducted climate risk management and six for which we did not find documentation of climate risk management.

To better understand challenges with implementing climate risk management, we met with staff from the technical offices in the three missions where we conducted fieldwork and activity managers in one office in each of the four functional bureaus and one central bureau—the Global Development Lab—within USAID's headquarters. We also reviewed assessments USAID's Bureau of Economic Growth, Education, and Environment (E3) Office of Global Climate Change has done of the implementation of the climate risk management process and suggestions they have compiled for how to improve implementation. Furthermore, we

²Priority countries identified in the Global Climate Change Initiative included Bangladesh, Cambodia, Colombia, Dominican Republic, Ethiopia, Guatemala, India, Indonesia, Jamaica, Kenya, Malawi, Maldives, Mali, Mozambique, Nepal, Peru, Philippines, Rwanda, Senegal, Tanzania, Timor-Leste, Uganda, and Vietnam. The priority regional platforms were East Africa, Southern Africa, West Africa, Regional Development Mission Asia, Barbados and the Eastern Caribbean (renamed Eastern and Southern Caribbean), and Regional Development Mission Pacific.

met with E3 officials to discuss efforts they have undertaken to disseminate this information to missions and other bureaus.

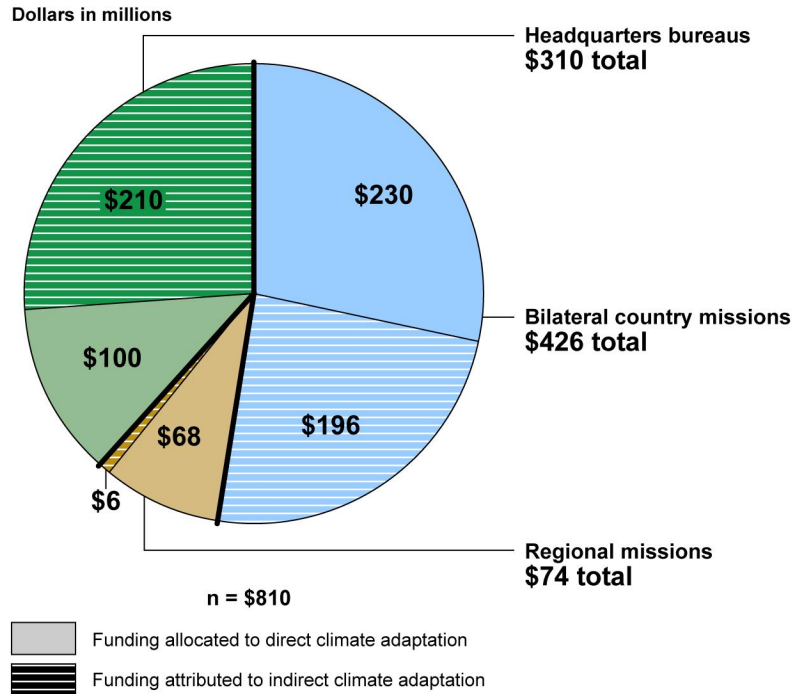
We conducted this performance audit from February 2019 to July 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Operating Units That Received USAID Climate Adaptation Assistance, Fiscal Years 2014 through 2018

The U.S. Agency for International Development (USAID) provided climate adaptation assistance through 31 bilateral country missions, eight regional missions, and seven headquarter bureaus (both functional and regional) from fiscal years 2014 through 2018. USAID provided this assistance through activities that directly addressed climate adaptation as well as indirectly through activities that received funding for other purposes, such as agriculture, but which also support climate adaptation goals. As shown in figure 8, USAID's bilateral missions provided about half of the agency's climate adaptation assistance (\$426 million) from fiscal years 2014 through 2018. Regional missions and headquarters bureaus provided the remainder of this assistance, through both allocating direct funding and attributing funding to indirect adaptation.

Appendix II: Operating Units That Received USAID Climate Adaptation Assistance, Fiscal Years 2014 through 2018

Figure 8: USAID Climate Adaptation Assistance by Operating Unit, Fiscal Years 2014 through 2018



Source: GAO analysis of U.S. Agency for International Development data. | GAO-20-555

Note: Data represent the planned funding reported in USAID operational plans; however, indirect climate adaptation attributions are minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

Climate adaptation assistance from these operating units focused on three USAID regions: Africa, Asia, and Latin America and the Caribbean. See table 1 for direct and indirect funding amounts for USAID bilateral country missions, table 2 for regional missions, and table 3 for headquarters bureaus.

Table 1: USAID Bilateral Country Missions' Climate Adaptation Assistance, Fiscal Years 2014 through 2018

USAID Bilateral Country Mission	Direct Climate Adaption Allocations (Dollars)	Indirect Climate Adaption Attributions (Dollars)
Ethiopia *	12,000,000	112,749,543
Ghana	0	1,400,000
Kenya *	6,000,000	1,425,619
Liberia	0	1,570,000
Madagascar	0	730,000
Malawi *	9,000,000	3,699,685

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USAID Climate Adaptation Assistance, Fiscal
Years 2014 through 2018**

Mali *	9,000,000	12,393,310
Nigeria	0	12,200,000
Senegal *	6,000,000	550,000
Tanzania *	9,000,000	11,370,000
Uganda *	9,000,000	3,950,000
Bangladesh *	12,000,000	1,760,000
India *	5,500,000	2,200,000
Indonesia *	9,000,000	1,800,000
Maldives *	6,000,000	700,000
Nepal *	6,600,000	2,670,000
Philippines *	38,000,000	2,176,784
Timor-Leste *	6,700,000	100,000
Vietnam *	8,500,000	2,250,000
Brazil	0	2,993,717
Dominican Republic *	8,300,000	684,879
Guatemala *	8,000,000	3,148,525
Haiti	0	3,536,000
Honduras	8,000,000	9,111,000
Paraguay	0	530,000
Peru *	8,000,000	400,000
Rwanda *	6,000,000	0
Mozambique*	12,000,000	0
Cambodia *	10,500,000	0
Colombia *	8,000,000	0
Jamaica *	8,500,000	0
Total	229,600,000	196,231,062

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-20-555

Notes: Operating units identified as priority countries in the Global Climate Change Initiative are denoted with an *.

Data represent the planned funding reported in USAID operational plans; however, indirect climate adaptation attributions are projected minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

As shown in table 2, USAID's regional missions provided funding for direct and indirect climate adaptation activities in fiscal years 2014 through 2018.

Table 2: USAID Regional Missions' Climate Adaptation Assistance, Fiscal Years 2014 through 2018

USAID Regional Missions	Direct Climate Adaptation Allocations (Dollars)	Indirect Climate Adaptation Attributions (Dollars)
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**Appendix II: Operating Units That Received
USAID Climate Adaptation Assistance, Fiscal
Years 2014 through 2018**

Central America Regional Mission	9,300,000	234,000
East Africa Regional Mission *	6,500,000	549,093
Sahel Regional Program	0	4,700,000
Southern Africa Regional Mission *	9,500,000	700,000
Central Asia Regional Mission	2,000,000	0
Regional Development Mission Asia *	17,000,000	0
West Africa Regional Mission *	10,000,000	0
Eastern and Southern Caribbean*	13,400,000	0
Total	67,700,000	6,183,093

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-20-555

Notes: Operating units identified as priority countries in the Global Climate Change Initiative are denoted with an *.

Data represent the planned funding reported in USAID operational plans; however, indirect climate adaptation attributions are minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

As shown in table 3, USAID’s headquarters bureaus provided funding for direct and indirect climate adaptation activities in fiscal years 2014 through 2018.

Table 3: USAID Headquarters Bureaus’ Climate Adaptation Assistance, Fiscal Years 2014 through 2018

USAID Headquarters Bureau	Direct Climate Adaptation Allocations (Dollars)	Indirect Climate Adaptation Attributions (Dollars)
Bureau for Africa	8,500,000	0
Bureau for Asia	3,500,000	0
Bureau for Latin America and Caribbean	4,500,000	0
Bureau for Democracy, Conflict and Humanitarian Assistance	20,000,000	27,703,370
Bureau for Economic Growth, Education and Environment (E3)	63,170,005	1,150,000
Bureau for Food Security	0	180,989,534
Global Development Lab	500,000	0
Total	100,175,000	209,842,904

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-20-555

Note: Data represent the planned funding reported in USAID operational plans; however, indirect climate adaptation attributions are minimum amounts because not all USAID operating units with such programming reported attributions in their operational plans.

Appendix III: U.S. Agency for International Development Climate Adaptation Programming in Guatemala



According to the U.S. Agency for International Development's (USAID) climate change risk profile for Guatemala,¹ the country has a warm, tropical climate that varies with the country's topography and which has two distinct seasons—a dry season from November to April and a rainy season from May to October. The rainy season includes a 5- to 15-day break with little or no rain in July or August called the *canícula*. The majority of agricultural production is rain fed (71 percent) and takes place on steep mountainous terrain, making it highly vulnerable to drought, excess rainfall and soil erosion. The effect of climate change, such as higher temperatures and more variable rainfall are projected to adversely affect yields of major food crops. Higher temperatures will restrict the area viable for coffee production (a major export), pushing production to higher altitudes, potentially leading to land conflicts, deforestation, erosion, and loss of biodiversity. According to USAID's climate change risk profile, a prolonged canícula will impact corn and bean harvests, as well as timing of the second planting season. Higher temperatures and more variable rainfall are projected to further hamper agricultural productivity, increasing the risk of food and water insecurity among the most vulnerable, particularly indigenous subsistence farmers in remote geographic areas who represent at least 40 percent of the population. According to USAID's climate change risk profile, the projected changes to Guatemala's climate include:

- Increased variable rainfall with heavy rain days followed by dry days, triggering more drought and flood events.
- Temperature increase between 2.5–4 degrees Celsius by 2050.

¹Guatemala Climate Change Fact Sheet prepared under contract for the U.S. Agency for International Development, April 2017.

Appendix III: U.S. Agency for International Development Climate Adaptation Programming in Guatemala

- Annual increases in rainfall until 2030, then a 9.5–12.4 percent decrease in rainfall by 2050.
- Expansion of semi-arid climate regions.
- More frequent and prolonged duration of the *canícula* (the dry period during the rainy season).
- Rise in sea levels by 9–13 cm by 2050.

To help Guatemala adapt to climate change, USAID had eight climate adaptation activities active during fiscal years 2014 through 2018, six were direct from the climate change—adaptation SPSP program area and two were from the agriculture SPSP program area that indirectly supported climate adaptation.² See table 4 for more information on climate adaptation activities in Guatemala.

Table 4: USAID Climate Change Adaptation Activities Active in Guatemala, Fiscal Years 2014 through 2018

Activity Name	SPSD Program Area for Adaptation Activities	Climate Adaptation Funding Type	Planned or Actual Period of Activity	USAID Activity Description
Low Emission Development Strategy in Guatemala (LEDS)	Climate Change - Adaptation	Direct	June 2014 through June 2019	The activity sought to build capacity to develop and implement the Guatemala low emission development strategy, with USAID complementing climate change mitigation efforts by building resilience and enhancing adaptive capacity.
Feed the Future Guatemala - Innovative Solutions for Agricultural Value Chains (POPOYAN)	Climate Change - Adaptation Agriculture	Direct ^a Indirect	August 2017 through August 2022	The goal of this activity is to increase agricultural incomes and improve resilience for small farmers and their families in five departments of the Western Highlands, while improving nutrition outcomes.

²USAID divides its assistance for climate adaptation into those activities that directly address climate adaptation and received funding for the climate adaptation program area, and those that indirectly address climate adaptation through activities that received funding for other purposes, such as agriculture, but which also support climate adaptation goals. USAID tracks its funding for climate adaptation assistance through the Standardized Program Structure and Definitions (SPSD); the system agencies use to categorize and account for foreign assistance. The SPSP divides foreign assistance into seven categories, as well as numerous programs areas and program elements. The economic growth category contains the “Climate Change—Adaptation” program area. Other SPSP program areas that may indirectly support climate adaptation include agriculture and environment, both under the economic growth category, disaster readiness under the humanitarian assistance category, and water supply and sanitation under the health category.

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Nexos Locales Project	Climate Change - Adaptation	Direct	June 2014 through June 2022	The activity aimed to strengthen municipalities to reduce food insecurity, malnutrition, and vulnerability to natural disasters. Its goals included helping prepare municipalities and other institutions financial and public accountability systems.
Feed the Future Guatemala - Coffee Value Chain (FEDECOCAGUA)	Climate Change - Adaptation Agriculture	Direct ^a Indirect	November 2017 through November 2022	The goal of this activity is to increase agricultural incomes and improve resilience for small farmers and their families in five departments of the Western Highlands, while improving nutritional outcomes. The activity aims to achieve this through climate-smart and nutrition-sensitive agriculture, among other things.
Climate, Nature and Communities in Guatemala (CNCG)	Climate Change - Adaptation	Direct	February 2013 through June 2022	The activity promotes climate change mitigation by improving management of natural resources and biodiversity conservation, building institutional capacity, and strengthening policy and legal frameworks.
Sustainable Economic Observatory	Climate Change - Adaptation	Direct	September 2016 through July 2020	The activity will build civil society capacity to advocate for and collaborate on U.S. Feed the Future goals, as well as to study, monitor and advocate for environmental issues linked to climate change and Guatemala's low emission development strategy.
Rural Value Chains Project (Departments of Quiché, Quetzaltenango and Totonicapán)	Agriculture	Indirect	May 2012 through May 2017	The goal of this activity was to improve household access to food and family nutritional status by expanding poor rural households' participation in horticulture and coffee value chains and provide technical assistance in good agricultural practices. The activity aimed to improve climate change resilience by promoting adaptive measures such as conservation agriculture practices.
Rural Value Chains Project (Departments of Huehuetenango and San Marcos)	Agriculture	Indirect	May 2012 through May 2017	Same as previous.

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-20-555

Notes: USAID previously categorized direct climate adaptation activities under the Standardized Program Structure and Definitions (SPSD) "environment" program area, before making climate adaptation a separate program area under the current SPSD. For the purpose of this report, we use the climate change—adaptation SPSD to refer to all direct climate change activities.

^aAccording to USAID officials, these activities received fiscal year 2016 funds originally planned for former value chain activities.

During our fieldwork in Guatemala, we observed activities from both the climate adaptation and agriculture program areas. For example, in 2013, USAID issued Climate, Nature, and Communities in Guatemala, a 6-year

award, extended an additional 2 years and 8 months, with direct funding allocated from the climate change—adaptation SPSP program area, to assist Guatemala in developing a process to address the negative effects of climate change through an integrated approach. That approach involves improving management of natural resources and conservation of biodiversity, building institutional and technical capacity, and establishing or fortifying the policy and legal framework related to climate change. Among other activities, the assistance allowed a municipal forest nursery to improve its design by allowing for more natural sunlight, using plastic walls and a carbon roof, as shown in figure 9. According to implementing partner officials, the nursery then plants the trees in the local watershed to slow erosion and assist in groundwater recharge. Other activities under the award included providing watershed management and rainwater collection reservoirs that farmers could use to store rainwater collected during the rainy season to irrigate crops during the dry season (see figure 9).

Figure 9: Municipal Tree Nursery (Left) and Farmer’s Rainwater Reservoir (Right)—Dry Season Climate Adaptation Techniques in Guatemala



Tree nursery where saplings are grown to later be planted to slow erosion and assist in ground water recharge.



Rainwater reservoir used by a farmer to store water from the rainy season for irrigation during the dry season and during the *canícula* (the dry period during the rainy season).

Source: GAO. | GAO-20-555

In November 2017, USAID issued Feed the Future Guatemala—Coffee Value Chain (FEDECOCAGUA), a 5-year award to increase agricultural incomes and improve the resilience of small farmers in the Western

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Highlands region of Guatemala³—with direct funding allocated from the climate change—adaptation SPSP program area, and indirect adaptation funding attributed from the agriculture SPSP program area. As of September 2019, the activity was working with 40 coffee farmer cooperatives (4,600 individual farmers) to help achieve environmental coffee certifications, allowing them to produce a more valuable product, among other forms of assistance. Part of that certification involves adopting management practices that include certain climate adaptations. We visited a coffee plot where the farmer demonstrated various adaptation techniques, such as integrating shade trees with coffee plants to counter rising temperatures, and using terraces and natural barriers to reduce erosion from more intense rainfall events (see figure 10).

³USAID's Country Development Cooperation Strategy for Guatemala, March 2012 through March 2020, focuses on the Western Highlands, which experiences recurrent drought and high levels of food insecurity.

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Figure 10: Shade Trees (Left) and Terraces and Natural Barriers (Right)—Coffee Sector Climate Adaptation Techniques in Guatemala



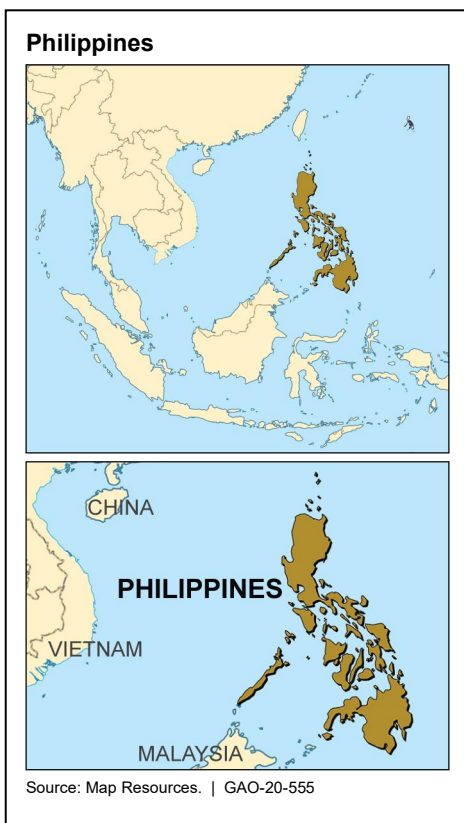
Banana and other trees provide shade for coffee crops.



Farmer demonstrates natural barriers (see crossed sticks in dotted lines) used on terraced hillsides to prevent the loss of organic material and damage to downslope coffee plants.

Source: GAO. | GAO-20-555

Appendix IV: U.S. Agency for International Development Climate Adaptation Programming in the Philippines



According to USAID’s climate change risk profile for the Philippines,¹ the country’s climate is tropical and monsoonal, influenced by El Niño, which is the most important source of rainfall variability from year-to-year. Over 60 percent of the population resides in urban and semi-urban areas in 25 cities located along the coastline threatened by rising sea levels. In addition, the Philippines coastal ecosystems and fisheries have been effected by environmental degradation and deforestation. The impacts of climate change, including sea level rise, increased frequency of extreme weather events, rising temperatures, and extreme rainfall are projected to effect these cities and resources. For example, these climate change impacts are likely to effect the infrastructure and services in these urban and semi-urban areas, according to USAID’s climate change risk profile. Floods and landslides, due to extreme rainfall, increase runoff, reduce water quality, and damage water supply infrastructure. Increased salinity and sea levels can damage mangroves, while ocean acidification and rising seas and sea surface temperatures can destroy fish and marine habitats, particularly through coral bleaching. According to USAID’s climate change risk profile, the projected changes to the Philippines’ climate include:

- Increased temperatures of 1.8–2.2 degrees Celsius by 2050.
- Reduced rainfall from March to May in most areas, making the dry season drier.

¹Philippines Climate Change Fact Sheet prepared under contract for the U.S. Agency for International Development, February 2017.

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- Increased frequency of extreme weather events, including days exceeding 35 degrees Celsius, days with less than 2.5 mm of rain, and days exceeding 300 mm of rain.
- Rising sea levels of 0.48–0.65 meters by 2100.

To help the Philippines and Pacific Island nations adapt to climate change, USAID had 16 climate adaptation activities active during fiscal years 2014 through 2018 managed by its Philippine mission. These activities covered multiple program areas, including 13 with direct funding from the climate change adaptation SPSD program area; one from the water sanitation and supply SPSD program area; and two from the environment SPSD program area, which indirectly supported climate adaptation.² See table 5 for more information on climate adaptation activities in the Philippines and Pacific Island nations.

Table 5: USAID Climate Change Adaptation Activities Active in the Philippines and Pacific Island Nations, Fiscal Years 2014 through 2018

Activity Name	SPSD Program Area for Adaptation Activities	Climate Adaptation Funding Type	Planned or Actual Period of Activity	USAID Activity Description
Coastal Community Adaptation Project	Climate Change - Adaptation	Direct	October 2012 through September 2017	The activity aimed to build the resilience of coastal communities in the Pacific to withstand more intense and frequent weather events and ecosystem degradation in the short term (erosion, coral damage, flooding, drought, salt-water intrusion), and sea level rise in the long term. Up to 12 Pacific Island countries benefited: Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

²USAID divides its assistance for climate adaptation into activities that directly address climate adaptation and received funding for the climate adaptation program area, and those that indirectly address climate adaptation through activities that received funding for other purposes, such as agriculture, but which also support climate adaptation goals. USAID tracks its funding for climate adaptation assistance through the Standardized Program Structure and Definitions (SPSD); the system agencies use to categorize and account for foreign assistance. The SPSD divides foreign assistance into seven categories, as well as numerous programs areas and program elements. The economic growth category contains the “Climate Change—Adaptation” program area. Other SPSD program areas that may indirectly support climate adaptation include agriculture and environment, both under the economic grown category, disaster readiness under the humanitarian assistance category, and water supply and sanitation under the health category.

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Pacific-American Climate Fund	Climate Change - Adaptation	Direct	October 2013 through October 2018	The activity provided grants to assist communities adapt to climate impacts in 12 Pacific Island countries. ^a
Water Security for Resilient Economic Growth and Stability (Be Secure)	Climate Change - Adaptation	Direct	July 2013 through June 2016	The activity aimed to work with the government of the Philippines to increase sustainable access to water supply and sanitation services, and resilience to the hydrologic impacts of climate change impacts.
Climate Ready	Climate Change - Adaptation	Direct	September 2016 through September 2021	The activity will help Pacific Island countries adapt to climate change by establishing policies, regulations and legal frameworks in countries that are required to achieve goals identified in national adaptation plans; increasing access to adaptation financing; and improving skills and systems of government entities and the private sector to effectively implement funded adaptation projects. Climate Ready will support Pacific Island nations. ^a
Strengthening Urban Resilience for Growth with Equity (SURGE)	Climate Change - Adaptation	Direct	July 2015 through December 2021	The primary goal of the activity is to promote more balanced and resilient urban growth, reduce economic disparities, and improve socio-economic conditions for second-tier cities and surrounding rural areas. This activity will assist cities and adjacent areas plan effectively, guarantee basic public services, improve land tenure security, reduce business transactions costs, promote competitiveness, support sustainable development, and reduce disaster risks while ensuring inclusive and sustainable growth.
Water Security under Climate Risks (Bicol Agri-Water Project)	Climate Change - Adaptation	Direct	September 2012 through December 2017	The goal of this activity was to enhance climate change adaptation for food security in the Bicol region of the Philippines by improving irrigation water management. The activity sought to achieve this goal by enhancing the capacity of farmers to adapt to climate variability and change; developing decision support tools for adaption by farmers and other stakeholders; and strengthening climate risk resilient water governance capacities.
Strengthening the Resiliency of Local Government Units and Local Communities to Adapt to the Impact of Climate Change (Agusan Marsh Climate Change Adaptation Project)	Climate Change - Adaptation	Direct	November 2012 through January 2016	The goal of this activity was to increase climate change resilience in Agusan del Sur by increasing the capacity of stakeholders in the area adapt to climate change. Specifically, the activity aimed to get climate smart agriculture practices adapted; strengthen local policy support for climate change adaptation; and strengthen institutional capacity for disaster risk reduction, among others.
Coastal Climate Change Adaptation: Marine Protected Areas	Climate Change - Adaptation	Direct	June 2012 through June 2016	The activity aimed to improve municipal marine protected areas (MPA) ability to adapt to climate change by building social adaptive capacity using Rare's Pride model and improve management of municipal MPA networks, while monitoring local outcomes and leveraging national approaches.

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U.S. Peace Corps Small Project Assistance (SPA) in the Pacific	Climate Change - Adaptation	Direct	October 2012 through September 2017	The goal of this activity was to support the efforts of Peace Corps volunteers to increase the climate resilience of up to six Pacific Island communities through training and small projects aimed at disaster risk reduction, sustainable management of forests, coastal, marine, and water resources, and promoting alternative or new livelihood practices that are adapted to climate.
Abuan Integrated Watershed Management Program	Climate Change - Adaptation	Direct	September 2012 through September 2017	The activity aimed to catalyze local stakeholder support in improving the adaptability of watersheds, farmlands, and other economic sectors to climate change in the Abuan watershed.
Performance evaluation of Global Climate Change Pacific Community-based activities	Climate Change - Adaptation	Direct	March 2016 through June 2016	The activity conducted performance evaluations of USAID community-based adaptation activities with the goal of identifying and disseminating best practices and lessons learned, and informing future programming.
New Global Climate Change Pacific Mechanism - Governance Capacity Building	Climate Change - Adaptation	Direct	October 2015 through September 2020	The activity will build national and regional climate change governance capacity in 12 Pacific Island countries. ^a
Institutional Strengthening of Pacific Island Countries to Adapt to Climate Change (ISACC)	Climate Change - Adaptation	Direct	September 2015 through September 2020	The activity will build national and regional climate change governance capacity in 12 Pacific island countries. ^a
Building Climate Resilience in Water-Stressed Communities	Water Supply and Sanitation	Indirect	August 2012 through January 2016	The goal of this activity was to increase community resilience to hydrologic stresses induced by climate change by providing access to water supply and sanitation services for waterless communities.
Ecosystems Improved for Sustainable Fisheries (ECOFISH)	Environment	Indirect	June 2012 through June 2017	The activity aimed to support the Government of the Philippines to improve sustainable fisheries management through capacity and constituency building among local governments. It also planned to assist local governments to improve the design of marine protected areas to increase their resilience to climate change.
U.S. National Oceanic and Atmospheric Administration (NOAA) Mission Support Participating Agency Program Agreement	Environment	Indirect	September 2013 through September 2017	The activity partnered USAID with NOAA to enhance the Government of the Philippines' scientific, technical, and management capacity for environmental and human resilience. The partnership focused on sustainable fisheries, coral reef management and climate/ocean change modelling for fisheries.

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-20-555

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Notes: USAID's Philippines mission funded two additional activities with direct adaptation funding; however, we did not include them in the table because they focused on internal mission administration and learning efforts.

USAID previously categorized direct climate adaptation activities under the Standardized Program Structure and Definitions (SPSD) "environment" Program area, before making climate adaptation a separate program area under the current SPSP. For the purpose of this report, we use the climate change—adaptation SPSP to refer to all direct climate change activities.

^aUSAID's mission in the Philippines manages and supports activities in the Pacific Islands, which include: The Federated States of Micronesia, Fiji, Kiribati, Palau, Papua New Guinea, Republic of the Marshall Islands, Nauru, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

During our fieldwork in the Philippines, we observed activities from both the climate change—adaptation and environment SPSP program areas. For example, in 2015, USAID issued Strengthening Urban Resilience for Growth with Equity (SURGE), a 5-year award, which according to USAID had an extension of 18 months, with direct funding from the climate change—adaptation SPSP program area. This activity assists eight cities and adjacent areas with conducting city planning, providing basic public services, adapting to climate change, and lessening disaster risks, among other things. The activity works with these cities to better integrate the impacts of projected climate change and disaster preparedness into city planning.

During fieldwork, we visited one city where activities focus on capacity building to adapt to climate change. This activity assists the Legazpi City Water District to help it prepare for climate change risks by developing business continuity and water safety plans that include hazard and risk assessments. This activity also assists the city of Legazpi in developing climate change adaptation and disaster risk management plans to address the short- and long-term effects of natural disasters, such as typhoons and flooding. The city's central business district is below sea level and is very flood prone, a situation that is compounded by recent increased rainfall and projections that flooding will worsen over the next 30 to 60 years. At the time of our visit, a disaster risk reduction and management council was in place to implement the plans, focusing on preparedness, response, mitigation, and adaptation (see figure 11). According to USAID officials, this activity is increasing its impact beyond the eight cities where it is being implemented by working with the Government of the Philippines' Department of Human Settlements and Urban Development to incorporate climate risks and disaster assessments into its review of the cities' required 10-year comprehensive land use plans.

Figure 11: Disaster Risk Reduction and Management Council and Climate Change Center in Legazpi City, Philippines



Source: GAO. | GAO-20-555

According to USAID, in June 2012 it issued Ecosystems Improved for Sustainable Fisheries (ECOFISH), a 5-year award to improve marine ecosystems and habitat in the Philippines, with indirect adaptation funding attributed from the environment program area. In March 2018, USAID issued a follow up activity that aims to build capacity for fisheries management and mangrove restoration, conduct policy studies and reviews on climate change, and develop public-private partnerships for sustainable fisheries, among other things. During our fieldwork, we met with officials from this activity as they reviewed the activity's strategic goals after the first year of implementation. Officials noted that of the six strategic goals, one focuses specifically on climate change adaptation, and is the first time the implementing partner has included climate change adaptation as a strategic goal in its decades of work in fisheries management.

Appendix V: U.S. Agency for International Development Climate Adaptation Programming in Uganda



According to USAID’s climate change vulnerability assessment for Uganda,¹ although the country is situated close to the equator, it has diverse climate patterns. These patterns are due to the country’s unique biological and physical characteristics influenced by several large rivers, bodies of water, and mountain ranges to the east and west. Rainfall varies throughout the country: from rain spread throughout the year in the south, heavy rains in the mountainous region in the southwest, and seasonal rains falling from March to June and November to December on the northern shore of Lake Victoria. According to USAID’s Country Development Cooperation Strategy for Uganda,² 70 percent of the active labor force is engaged in agriculture, which is still the main pathway out of poverty for most Ugandans, though urban migration is increasing. An estimated 73 percent of rural households are highly vulnerable to the impacts of climate change because of their reliance on certain crops susceptible to climate change, according to the country strategy. Specifically, rising temperatures and erratic rainfall increase the risk of disease and pest infestations in coffee, and higher temperatures, air humidity, and soil moisture significantly aggravate two major rice diseases (blast and bacterial leaf blight) that affect rice yields. Erratic rain could also increase post-harvest storage losses of crops typically dried in the sun, such as maize, beans, coffee, and rice, due to increased pests and rotting. According to USAID’s report on climate change vulnerability for Uganda, the projected changes to the country’s climate include:

- Temperature increase of more than 2 degrees Celsius by 2030 will likely have a strong impact on agriculture and livestock, increasing the risk of disease and pest infestations.

¹Uganda Climate Change Vulnerability Assessment Report, prepared under contract for the U.S. Agency for International Development, August 2013.

²USAID Uganda Country Development Cooperation Strategy 2016-2021.

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- Increase in rainfall in the dry season in all locations, with strong impacts on agriculture, especially with respect to tree crops such as coffee, and post-harvest drying and storage.
- Potential increase in the frequency of extreme events such as heavy rainstorms and flooding.

To help Uganda adapt to climate change, USAID had six climate adaptation activities active during fiscal years 2014 through 2018, four with direct funding from the climate change—adaptation SPSP program area, and one each from the environment and agriculture SPSP program areas, which indirectly supported climate adaptation.³ See table 6 for more information on climate adaptation activities in Uganda.

Table 6: USAID Climate Change Adaptation Activities Active in Uganda, Fiscal Years 2014 through 2018

Activity Name	SPSD Program Area for Adaptation Activities	Climate Adaptation Funding Type	Planned or Actual Period of Activity	USAID Activity Description
Education and Research to Improve Climate Change Adaptation activity	Climate Change - Adaptation	Direct	November 2013 through April 2018	The activity partnered with Makerere University to increase the level of education, professional expertise, and research to help meet the challenge of adapting to climate variability and change in the agricultural sector. The activity aimed to: 1) help transform the Makerere University Climate Change Research and Innovation Center into a leading center for climate change education and research in Africa; 2) develop capacity of university staff, government officials, civil society, and private sector actors; 3) improve and support education in climate science, meteorology, and climate adaptation; and 4) conduct and disseminate climate change, climate change impacts, and adaptation research.

³USAID divides its assistance for climate adaptation into activities that directly address climate adaptation and received funding for the climate adaptation program area, and those that indirectly address climate adaptation through activities that received funding for other purposes, such as agriculture, but which also support climate adaptation goals. USAID tracks its funding for climate adaptation assistance through the Standardized Program Structure and Definitions (SPSD); the system agencies use to categorize and account for foreign assistance. The SPSP divides foreign assistance into seven categories, as well as numerous programs areas and program elements. The economic growth category contains the “Climate Change—Adaptation” program area. Other SPSP program areas that may indirectly support climate adaptation include agriculture and environment, both under the economic growth category, disaster readiness under the humanitarian assistance category, and water supply and sanitation under the health category.

**Appendix V: U.S. Agency for International
Development Climate Adaptation Programming
in Uganda**

Feed the Future (FTF) Enabling Environment for Agriculture activity	Climate Change - Adaptation	Direct	April 2013 through April 2020	The activity partnered with Ugandan private and public sector institutions to improve the enabling environment for agricultural development, trade, and adaptation to climate change. The activity aimed to: 1) remove policy and regulatory constraints; 2) strengthen the capacity of government institutions, including to respond to climate change impacts on agriculture; and 3) enhance the capacity of Ugandan private sector and civil society institutions to contribute to policy decisions related to agriculture development, agriculture trade, and climate change adaptation.
Strengthening Meteorological Services, Products, and Use in the Agriculture and Water Sectors	Climate Change - Adaptation	Direct	October 2014 through August 2017	The activity was a partnership between USAID and the German Society for International Cooperation (GIZ) that aimed to improve the meteorological data collection, dissemination, and utilization, and enhance the capacity of end-users in the water and agriculture sectors to effectively use meteorological information. Among other things, the activity supported the effort to improve organizational capacity at the Ugandan Meteorological Authority.
FTF and Global Climate Change Partnership Innovation Fund-Local Partners Policy Engagement	Climate Change - Adaptation	Direct	October 2014 through September 2016	This activity aimed to strengthen the enabling environment for agriculture and climate change adaptation in the agricultural sector through support to local organizations.
Biodiversity Trust Fund	Environment	Indirect	October 2014 through April 2020	The activity supported sustainable financing for biodiversity conservation in Uganda. The activity invited private sector actors to engage in conservation and strengthen public institutions and local organizations to manage natural resources, including biodiversity, effectively.
Integrated Community Agriculture and Nutrition (ICAN)-Community Connector Follow-on	Agriculture	Indirect	November 2016 through July 2023	The activity is USAID/Uganda's flagship resilience project with the goal of enhancing the resilience of vulnerable households in eight districts. ICAN will work with community groups to maximize economic opportunities for vulnerable households, stabilize their access to and consumption of diverse and nutritious diets, and increase social capital by reinforcing relationships among formal governance systems and communities.

Source: GAO analysis of U.S. Agency for International Development (USAID) information. | GAO-20-555

Notes: USAID's Uganda mission funded two additional activities with direct adaptation funding; however, GAO did not include them in the table because they focused on internal mission administration and learning efforts.

USAID previously categorized direct climate adaptation activities under the Standardized Program Structures and Definition (SPSD) "environment" program area, before making climate adaptation a separate program area under the current SPSP. For the purpose of this report, we use the climate change—adaptation SPSP to refer to all direct climate change activities.

During our fieldwork in Uganda, we observed activities previously funded from the climate change—adaptation SPSP program area. For example, in 2013 USAID/Uganda issued Education and Research to Improve

Climate Change Adaptation activity, a 4-year award extended through April 2018, according to USAID. With direct funding from the climate change—adaptation SPSP program area, this award helped establish the Center for Climate Change Research and Innovations at Makerere University in Kampala. According to USAID officials, the center is a recognized leader in community-based climate adaptation for Uganda. It helps develop youth climate advocates, conducts boot camps for students to learn about climate change adaptation, and provides climate change talks to schools in Kampala through a partnership with the city. As of the time of our visit in August 2019, Makerere University students and faculty remained active in climate adaptation research with the Center for Climate Change Research and Innovations (see figure 12). Center faculty also told us that the Center taught an introductory climate change course to all incoming freshmen at the University’s College of Agriculture and Environmental Sciences.

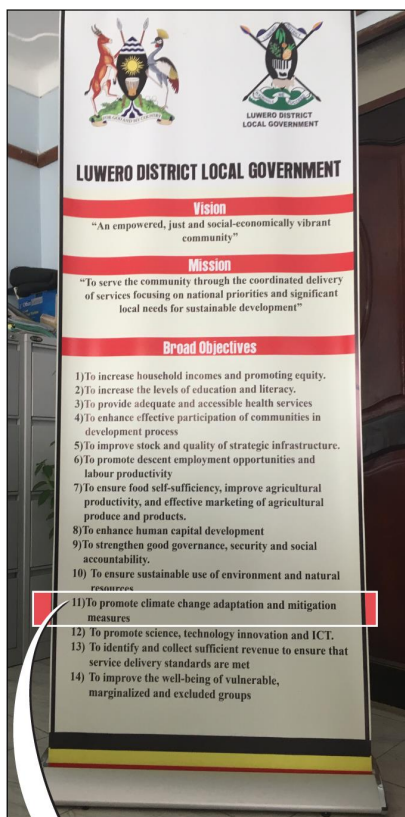
Figure 12: Makerere University Climate Adaptation Activities in the Coffee Sector in Uganda



Researchers demonstrate adaptation techniques such as planting shade crops, weeding, mulching, and pruning to reduce the increased threat of coffee pests caused by climate change.

Source: GAO. | GAO-20-555

Banner in a Ugandan District Government Office Showing Climate Change Adaptation and Mitigation as District Objectives



11) To promote climate change adaptation and mitigation measures

Source: GAO. | GAO-20-555

In 2013, USAID issued the Feed the Future Enabling Environment for Agriculture, a 3-year award, which was later extended to a total of 7-years, with direct funding from the climate change—adaptation SPSP program area, to increase the value of agricultural production and trade in Uganda through an improved enabling environment for agriculture development, trade, and adaptation to climate change. The activity, which USAID extended to 2020, focuses on addressing policy, legal, regulatory, and institutional constraints on climate change in the agriculture sector. According to USAID officials, the activity addresses the lack of integration between climate change work at the national level and district level. For example, USAID started engaging through this activity with district governments to help them include national-level climate change policies into their district-level development plans and to develop budgets for climate adaptation activities. According to implementing partner officials, the activity incorporated climate adaptation performance measures into budgets and performance plans in 38 districts that have Feed the Future activities.⁴ Officials from Uganda’s Ministry of Local Government told us that before the activity, the ministry did not address climate adaptation in its scope. However, now the ministry has included promoting climate change adaptation and mitigation measures as one its broad objectives (see sidebar). The ministry has created a formal team of 20 officers working on climate change. It also created a taskforce to coordinate on climate change issues with other ministries and sectors, and annually assesses local governments on performance measures for climate change in the budgeting process. According to ministry officials, if local governments do not meet their climate change goals, they may receive less funding from the national government.

⁴According to USAID, Feed the Future is the U.S. Government’s global hunger and food security initiative, addressing the root causes of poverty, hunger, and malnutrition.

Appendix VI: Comments from the U.S. Agency for International Development



Thomas Melito
Managing Director
International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20226

Re: Climate Change: USAID Is Taking Steps to Increase Projects' Resilience, but Could Improve Reporting of Adaptation Funding (GAO-20-555)

Dear Mr. Melito:

I am pleased to provide the formal response of the U.S. Agency for International Development (USAID) to the draft report produced by the U.S. Government Accountability Office (GAO) titled, *Climate Change: USAID Is Taking Steps to Increase Projects' Resilience, but Could Improve Reporting of Adaptation Funding* (GAO-20-555).

With hundreds of projects and thousands of staff across the globe, USAID witnesses the effects of climate variability and change every day. Thus, USAID remains committed to our programming in climate-risk management (CRM) and climate adaptation.

As GAO-20-555 recognizes, the scope of USAID's climate-resilience work extends beyond the sum of our direct appropriations and indirect attributions for climate adaptation. Our portfolio in climate adaptation includes both programming whose primary purpose is to increase the climate resilience of people, places, and livelihoods and investments in other sectors that also contribute to climate-adaptation objectives.

In addition, since Fiscal Year (FY) 2017, USAID has screened over 95 percent of our development funding for climate risk, which has improved the effectiveness and sustainability of our investments in all sectors. Because CRM is an early part of the design and implementation of nearly all of USAID's development assistance, the resulting programs enhance resilience to climate variability without adding significant, additional costs.

USAID anticipates that setting control levels for direct climate-adaptation funding and indirect attributions for adaptation in Fiscal Year (FY) 2020 and sending a communication to all staff from the Acting Administrator will further improve reporting on, and attention to, this important development issue.

I am transmitting this letter and the enclosed comments from USAID for inclusion in the GAO's final report. Thank you for the opportunity to respond to the draft report, and for the courtesies extended by your staff while conducting this engagement. We appreciate the

**Appendix VI: Comments from the U.S. Agency
for International Development**

opportunity to participate in the complete and thorough evaluation of our climate-risk management efforts and programming in climate adaptation.

Sincerely,

Frederick M. Nutt

7/1/2020

Frederick Nutt
Assistant Administrator
Bureau for Management

Enclosure: a/s

**Appendix VI: Comments from the U.S. Agency
for International Development**

**COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT ON
THE DRAFT REPORT PRODUCED BY THE U.S. GOVERNMENT
ACCOUNTABILITY OFFICE (GAO) TITLED, *Climate Change: USAID Is Taking Steps
to Increase Projects' Resilience, but Could Improve Reporting of Adaptation Funding* (GAO-
20-555)**

The U.S. Agency for International Development (USAID) would like to thank the U.S. Government Accountability Office (GAO) for the opportunity to respond to this draft report. We appreciate the extensive work of the GAO's engagement team, and the specific findings that will help USAID achieve greater effectiveness in our programming on climate adaptation and our reporting on it.

Climate adaptation is a cross-cutting issue that intersects with USAID's objectives and programming in many ways. As GAO-20-555 recognizes, the scope of USAID's climate-resilience work extends beyond the sum of our direct appropriations and indirect attributions for climate adaptation. Our portfolio in climate adaptation includes both programming whose primary purpose is to increase the climate resilience of people, places, and livelihoods and investments in other sectors that also contribute to climate-adaptation objectives. The examples cited in this report from USAID's Missions in the Republics of Guatemala, The Philippines, and Uganda in food security, reducing the risk of disasters, urban development, water security, the management of natural resources, and citizen-responsive governance demonstrate the broad applicability of climate adaptation. USAID's ongoing Transformation also elevates the importance of resilience, including resilience to climate variability, through the creation of the new Bureau for Resilience and Food Security. For Fiscal Year (FY) 2020, the U.S. Department of State and USAID have set funding targets for our Missions that increase the importance given to integrating climate-adaptation objectives into broader programming.

We are grateful for the draft report's recognition of the importance of climate-risk management (CRM) and the success of USAID's CRM efforts, which have improved the effectiveness and sustainability of our investments in all sectors. Since Fiscal Year (FY) 2017, USAID has screened over 95 percent of our development funding (*i.e.*, new obligation authority) for climate risk, a measure that allows us to ensure we are spending U.S. taxpayer dollars well spent and supporting the Journey to Self-Reliance. Because CRM is an early part of the design and implementation of nearly all of USAID's development assistance, the resulting programs enhance resilience to climate variability without adding significant, additional costs. USAID is working continuously to improve the effectiveness and efficiency of our CRM process, and we look forward to the results of an ongoing evaluation that will inform it.

USAID concurs with the recommendation made in GAO-20-555. Please find below our response and mitigation plan.

**Appendix VI: Comments from the U.S. Agency
for International Development**

Recommendation 1: The Administrator of USAID should communicate to all Missions and Bureaus the expectation that they report on all funding attributed to the key issue of indirect climate change adaptation.

In response, USAID plans to do the following:

- To track spending against the new Congressional directive of \$177 million for climate adaptation in FY 2020, the Office of Budget and Resource-Management (BRM) and the Office of Foreign Assistance at the U.S. Department of State (State/F) will set control levels for indirect attribution for climate adaptation for the first time: Operating Units (OUs) already have received a control level in the report for FY 2020 required by Section 653(a) of the Foreign Assistance Act of 1961, as amended, which State/F submitted to Congress in the month of June.
- Every OU that receives an allocation for climate adaptation in the 653(a) report for FY 2020, will need to address how it will spend these funds in its OP. BRM and State/F will not approve OPs if OUs do not address how they will meet their control levels. Furthermore, if an OU cannot meet its assigned control level, it will need to submit a deviation request to State/F and BRM.
- USAID will seek to improve future reporting on indirect attributions for climate adaptation by revising our guidance for the OPs for FY 2021 to identify programming intended to address climate adaptation as a secondary objective.
- In July 2020, the Acting Administrator will issue a communication to all USAID staff on the importance of climate resilience, the assignment of funding levels for climate adaptation, and of accurately tracking both direct climate-adaptation funding and indirect attributions for adaptation in their OPs.

Target Date: July 31, 2020.

Text of Appendix VI: Comments from the U.S. Agency for
International Development

Page 1

USAID from the American People

Thomas Melito
Managing Director
International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20226

Re: Climate Change: USAID Is Taking Steps to Increase Projects'
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USAID anticipates that setting control levels for direct climate-adaptation funding and indirect attributions for adaptation in Fiscal Year (FY) 2020 and sending a communication to all staff from the Acting Administrator will further improve reporting on, and attention to, this important development issue.

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Frederick Nutt
Assistant Administrator Bureau for Management

Page 3

**COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL
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Target Date: July 31, 2020.

Appendix VII: GAO Contact and Staff Acknowledgements

GAO Contacts

David Gootnick at (202) 512-3149 or GootnickD@gao.gov

Acknowledgments

In addition to the contacts named above, the following individuals made key contributions to this report: Miriam Carroll Fenton (Assistant Director), Rachel Girshick (Analyst-in-Charge), Nicholas Jepson (Senior Analyst), Peter Nguyen, Seyda Wentworth, Aldo Salerno, and Neil Doherty. Alexander Welsh, Justin Fisher, Leia Dickerson, and Joseph Thompson provided technical and other support.

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Appendix VIII: Accessible Data

Data Tables

Figure 3: Funding Ranges of USAID Bilateral Country Missions Providing Direct Allocations or Indirect Attributions for Climate Adaptation, Fiscal Years 2014 through 2018

Operating Unit (*Asterisk indicates a Global Climate Change Initiative priority country)	Dollars in millions
Ethiopia *	50.1 to >100
Ghana	.1 to 5
Kenya *	5.1 to 10
Liberia	.1 to 5
Madagascar	.1 to 5
Malawi *	10.1 to 50
Mali *	10.1 to 50
Nigeria	10.1 to 50
Senegal *	5.1 to 10
Tanzania *	10.1 to 50
Uganda *	10.1 to 50
Bangladesh *	10.1 to 50
India *	5.1 to 10
Indonesia *	10.1 to 50
Maldives *	5.1 to 10
Nepal *	5.1 to 10
Philippines *	10.1 to 50
Timor-Leste *	5.1 to 10
Vietnam *	10.1 to 50
Brazil	.1 to 5
Dominican Republic *	5.1 to 10
Guatemala *	10.1 to 50
Haiti	.1 to 5
Honduras	10.1 to 50
Paraguay	.1 to 5
Peru *	5.1 to 10
Rwanda *	5.1 to 10

Mozambique*	10.1 to 50
Cambodia*	10.1 to 50
Colombia*	5.1 to 10
Jamaica*	5.1 to 10

**Figure 6: USAID New Direct Funding for Climate Adaptation Programming Activities, Fiscal Years 2014 through 2018
Dollars in millions**

Fiscal year	2014	2015	2016	2017	2018
Funding allocated to direct climate adaptation	143	133	120	0	0

**Figure 7: USAID's Funding Attributed to Indirect Climate Adaptation, Fiscal Years 2014 through 2018
Dollars in millions**

Fiscal year	2014	2015	2016	2017	2018
Funding attributed to indirect climate adaptation	139	67	76	90	41

Figure 8: USAID Climate Adaptation Assistance by Operating Unit, Fiscal Years 2014 through 2018

In millions	Bilateral country missions	Regional missions	Headquarters bureaus
Funding allocated to direct climate adaptation	\$230	\$68	\$100
Funding attributed to indirect climate adaptation	\$196	\$6	\$210
Total	\$426	\$74	\$310
Total sum	\$810		