

A WORLD ON FIRE

Orienting the U.S. Foreign Assistance Architecture to Build Climate Resilience

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The global climate crisis will be one of the defining challenges of the 21st century. While a changing climate impacts all people, its effects are felt disproportionately by the world's most vulnerable. The frequency and fury of extreme weather events continue to increase as temperatures rise. Around the world, we are seeing new cycles of droughts and floods that threaten agricultural livelihoods and more intense storms that devastate communities, such as Hurricane Dorian in the Bahamas.

As a global relief and development organization, Mercy Corps teams witness the effects of these changing weather patterns and intensifying climate events every day. These changing weather patterns have contributed to rising forced migration rates around the world, from Niger to Guatemala. For example, greater numbers of farmers are fleeing their homes as their agricultural yields suffer due to unpredictable rainfall patterns or climbing temperatures.¹ Rising sea levels – which could displace up to 2 billion people by 2100 – are also a major concern to communities and policymakers alike.²

Climate change is a destabilizer and a threat multiplier. It takes existing vulnerabilities – poverty, hunger, poor health – and amplifies them, costing both dollars and lives. Nearly 3.4 billion people across 78 countries – half the world's population – are estimated to be highly vulnerable to climate change, but are not yet ready to adapt.³ From 2004-14, 58 percent of disaster-related deaths occurred in the top 30 fragile and conflict-affected countries.⁴ The people who are most exposed to the adverse effects of climate change are those that are the most vulnerable and thus the least able to cope with its impacts.

Despite the clear threat posed by climate change, the U.S. foreign assistance apparatus is not prepared for the scale of this challenge. While there have been limited steps by USAID to mainstream climate adaptation and mitigation throughout its programming objectives, the overall human and foreign assistance resources dedicated for this purpose are not commensurate with current global need or the urgency of the threat. More broadly, U.S. policy strategies fail to take into account the destabilizing nature of climate change and its potential to derail efforts to eradicate poverty and build healthier, more prosperous communities. For

RECOMMENDATIONS FOR ACTION

Introduce a new Global Climate Change Strategy

Strengthen climate mainstreaming and improve tracking of climate change adaptation expenditures and program outcomes.

Re-appoint a Special Envoy for Climate Change

Prioritize both bilateral and multilateral funding for vulnerable communities

Improve multilateral policies to support climate-smart, risk-informed development.

¹ World Bank, "Groundswell: Preparing for Internal Climate Migration," 2018. <https://openknowledge.worldbank.org/handle/10986/29461>

² Migration Policy Institute, "No Retreat: Climate Change and Voluntary Immobility in the Pacific Islands," June 2018.

<https://www.migrationpolicy.org/article/no-retreat-climate-change-and-voluntary-immobility-pacific-islands>

³ University of Notre Dame, 2016 ND-Gain Index.

⁴ Peters, Katie and Budimir, Mirianna "When disasters and conflict collide: Facts and figures," Overseas Development Institute. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/10537.pdf>

example, the 2018 [USAID-State Department Joint Strategic Plan](#) includes a commitment to improve the capacity of vulnerable countries to mitigate sources of fragility, instability, and conflict by 2022, but does not acknowledge that climate change exacerbates conflict. Nor does it direct USAID or the State Department to adapt programming to respond. A 2019 report by the Government Accountability Office found that USAID and the Department of State did not track investments in climate change adaptation beyond 2016 – making it difficult to determine where funding is being directed and whether those investments are delivering results.



ZIMBABWE: Anthony Machinguata and his son clear debris from their house following the particularly devastating Cyclone Idai. The cyclone caused catastrophic damage across 3 countries, leaving over 1,200 dead and thousands more missing.

respond to the challenge of climate change – only \$1 billion has been disbursed to the GCF since its establishment.⁵

Meanwhile, U.S. officials – who were once the greatest champions overseas for the plight of those communities endangered by climate change – have retreated. The 2016 Paris Agreement promoted ambition in climate change adaptation to help communities adjust to the existing impacts of climate change as well as to those that will continue to worsen. For the first time, the Agreement elevated adaptation to be equal to mitigation, especially for countries like the Marshall Islands and Kenya, which are particularly vulnerable to the negative effects of climate change. The Agreement also included adaptation within the Ambition Mechanism, committing all signatory parties to the development and regular reviews of the National Adaptation Plans. These plans are country-led strategies that identify key vulnerabilities and help orient countries toward medium- and long-term solutions. Yet, since the current Administration's formal November 2019 announcement of its intent to withdraw from the Paris Agreement, bold global progress toward these important goals has stalled.

While the United States has shied away from global leadership on climate change, many other countries and multilateral institutions are taking the climate emergency seriously and reorienting their overseas development assistance to respond. Globally, investments in climate adaptation have steadily increased over the past decade.⁶ The U.K. government elevated International Climate Finance as a major pillar of its

Congress, for its part, has taken some action to ensure that climate change adaptation remains on the agenda. For nearly a decade, the Senate Appropriations Committee has recommended that bilateral funding be made available to support climate change adaptation through its report accompanying the annual appropriations bill. In the fiscal year 2020 appropriations bill, for the first time ever, Congress included binding language to fund climate change adaptation at \$177 million. This move is commendable, but adaptation needs are dramatically outpacing current spending, especially in fragile environments. In addition, although the United States made a \$3 billion commitment to the start-up of the Green Climate Fund (GCF) – a multilateral partnership designed to support the efforts of developing countries to

⁵ Green Climate Fund, "Status of Pledges and Contributions made to the Green Climate Fund," April 2019, https://www.greenclimate.fund/documents/20182/24868/Status_of_Pledges.pdf/eef538d3-2987-4659-8c7c-5566ed6af19

⁶ OECD-DAC, "Climate-related development finance: A bilateral provider perspective," Accessed November 2019. https://public.tableau.com/views/Climate-relateddevelopmentfinance/CRDF-Donor?:embed=y&:display_count=no&%3AshowVizHome=no%20#3

foreign assistance and committed spending at least \$5.8 billion on climate finance between 2016-21.⁷ The Swedish International Development Cooperation Agency (Sida) is also contributing a significant portion of its budget: In 2018, the agency increased spending on initiatives that included the environment as a principal or significant objective by approximately 30% over 2017 spending.⁸ In addition, 48% of Sida's climate finance contributions included an adaptation objective in 2018.⁹

Climate Adaptation for the World's Most Vulnerable

THE BENEFITS OF ADAPTATION

The net benefits of a major global investment in climate adaptation would be significant for the world's poor. A USAID review of its own climate adaptation work done between 2010 and 2016 found that USAID helped 5.3 million people access and use climate information – like weather reports – to reduce their vulnerability to climate change. For example, in Jamaica, a drought in 2014 devastated agricultural production by 50 percent. Farmers who accessed the drought forecast, however, cut their losses by roughly 40 percent.¹⁰ Research done by the Global Commission on Adaptation, led by Ban Ki-moon, Kristalina Georgieva, and Bill Gates, found that by investing \$1.8 trillion globally in just five areas of climate adaptation between 2020-30, the world economy could generate \$7.1 trillion in total net benefits.¹¹

Critics who argue that addressing climate adaptation is too expensive underestimate the net global cost of doing nothing: The World Bank estimates that climate change could push an additional 100 million people into poverty by 2030 if donor governments fail to swiftly reorient foreign assistance to address the threat. In short, there are ethical, strategic and common-sense reasons to scale current U.S. assistance programs that help communities adapt to a changing climate.



KENYA: Patricia Nthenge relies on farming for her livelihood, but when the spring rains failed, she lost many of her crops. Through Mercy Corps' AgriFin program, she now uses DigiFarm, a mobile platform that reaches farmers with the tools they need to improve their livelihoods and build resilience to climate change

The United States has, over the past decade, begun to integrate some climate adaptation work into its foreign assistance programs, especially those that fall under USAID's Resilience Framework and the Global Food Security Strategy. As the new USAID Bureau for Resilience and Food Security launches in 2020, significant opportunities exist for the integration of climate adaptation across the Bureau. USAID must also ensure, however, that climate adaptation work reaches beyond food security to include the range of USAID programming from conflict prevention to gender. Below are two examples of U.S. assistance programs implemented by Mercy Corps that provide useful models for scalable solutions to the climate crisis.

⁷ House of Commons International Development Committee, "UK aid for combating climate change, Eleventh Report of Session 2017-19" April 2019. <https://publications.parliament.uk/pa/cm201719/cmselect/cmintdev/1432/1432.pdf>

⁸ Sida, "Environment and Climate Change: Towards environmental sustainability and resilience," 2018. <https://www.sida.se/globalassets/sida/eng/partners/green-tool-box/portfolio-overview-environment-and-climate-change-2018.pdf>

⁹ Sida, "Sida's climate finance reporting 2017-2018," August 2019. <https://www.sida.se/globalassets/sida/eng/partners/green-tool-box/one-pager--climate-finance-reporting-2017-2018.pdf>

¹⁰ USAID "Climate Action Review: 2010-2016," 2017. https://pdf.usaid.gov/pdf_docs/PBAAF094.pdf

¹¹ Global Commission on Adaptation, "Adapt Now: A Global Call for Leadership on Climate Resilience," September 2019. <http://web.unep.org/ganadapt/press-release/global-commission-finds-adaptation-can-deliver-71-trillion-benefits>

ADAPTING AGRICULTURAL OUTPUT IN GUATEMALA

Since October 2018, over 500,000 Central Americans have left their homes.¹² Poverty, violence, and lack of opportunities are oft-cited as the root causes of this migration flow. In the rural Western Highlands of Guatemala, dramatic climate change has resulted in higher temperatures and more variable rainfall. The changing climate has exacerbated poverty as smallholder farmers are unable to grow traditional crops like coffee, maize, and beans.¹³ As agricultural opportunities dwindle for farmers and young people, Guatemalans are faced with impossible choices, including migrating north for greater opportunities or more dependable incomes.

To address some of these challenges, from 2016-18, Mercy Corps implemented *AgriJoven*. This USAID-funded program aimed to equip young people in the agriculture sector with climate-resilient farming techniques. Given the absence of commercial banks, the program set up Youth Savings Groups to enable members to save and have access to lines of credit so that youth were able to purchase technologies that would ultimately increase their farming profits. In addition, these youth groups participated in training sessions on topics related to climate-smart agricultural practices, such as organic agriculture and the importance of crop diversification. The program also developed demonstration plots for youth to farm, demonstrating the difference between crops grown with traditional practices versus those export crops grown with innovative technologies. Ultimately, the program armed youth with information and technologies to make their farms more productive and the financial tools to take up these new practices.

After the program ended, 76% of youth who were interviewed expressed confidence that their future in Guatemala would be better than the present.¹⁴ An impact evaluation indicated that over 80% of the youth that participated in *AgriJoven* planned to continue to grow export crops that the program introduced, and analysis showed that during the program, youth earned greater profits from the crops grown with innovative technologies.¹⁵ A separate qualitative study, which explored how youth felt about their futures following the program, found that 30% fewer participants thought about migrating “all of the time” or “most of the time,” indicating that programs that help communities adapt to climate change can have important knock-on effects.¹⁶



GUATEMALA: A youth program participant clears a test parcel field, following the harvest. The test parcels offer young people the opportunity to learn and practice new agricultural techniques to improve the quality and quantity of their crops.

BUILDING RESILIENCE TO CLIMATE SHOCKS AMONG ETHIOPIAN HERDER COMMUNITIES

Despite enjoying rapid growth in the early 2000s, many communities in Ethiopia are still food insecure and highly vulnerable to the changing climate. In the drylands of southeastern Ethiopia, herders and their

¹² Congressional Research Service, “Central American Migration: Root Causes and U.S. Policy,” June 2019. <https://fas.org/sqrs/crs/row/IF11151.pdf>

¹³ USAID, “Climate Change Risk Profile: Guatemala,” April 2017.

https://www.climatelinks.org/sites/default/files/asset/document/2017_USAID%20ATLAS_Climate%20Change%20Risk%20Profile_Guatemala.pdf

¹⁴ Mercy Corps, “Subsist or Persist? Assessing Drivers of Migration and Effects of Foreign Assistance Programs on Migration from the Northern Triangle,” April 2019. https://www.mercycorps.org/sites/default/files/Subsist_or_Persist_Full_Report.pdf

¹⁵ USAID Feed the Future Partnering for Innovation, “Estudio de Impacto en Productores Jóvenes de Fair Fruit: Proyecto AgriJoven,” June 2018.

¹⁶ Mercy Corps, “Subsist or Persist?” April 2019. <https://www.mercycorps.org/research/subsist-or-persist>

families are particularly vulnerable to climate change as more frequent and intense dry periods negatively impact livestock, resulting in economic challenges, food scarcity, and poor nutrition. In 2010-11, persistent drought led to significant loss of livestock, devastating livelihood opportunities for the families that relied on them. In 2012, Mercy Corps, along with CARE and other partner organizations, implemented *Pastoralist Areas Resilience Improvement through Market Expansion (PRIME)*, funded by USAID's Feed the Future and Global Climate Change Initiative. The five-year program was designed to support resilience among pastoral communities in Ethiopia to withstand climate shocks and enhance prospects for longer-term development in Ethiopia's drylands.

The program incorporated a variety of climate change adaptation responses across the five different program components: livestock productivity, natural resource management, alternative livelihoods, learning and knowledge, and nutrition. Within each of these program sectors, the team examined how each element could be made climate-resilient. For example, strengthening the network of private veterinarians would lead to healthier and more productive herds. In the face of severe weather events like droughts or flooding, these healthier herds were more adaptable, and pastoralists could sell meat or milk for greater returns, helping them and their families endure through times of extreme scarcity.

In 2015-16, one of the strongest El Nino cycles on record exposed Ethiopia to one of the worst droughts in decades. At its height, over 10 million people required food assistance.¹⁷ As the humanitarian response mounted, Mercy Corps tested the effectiveness of PRIME's climate-resilient interventions. The study found that PRIME households held greater assets and had a lower vulnerability to poverty. In addition, households that had participated in PRIME had better herd health and fewer livestock deaths. Ultimately, these households were less likely to require humanitarian assistance and were more capable of surviving the drought, due to PRIME's climate-resilient approaches.

As these two examples suggest, there are a number of existing USAID programs that could be studied as effective models for broader introduction into climate-affected communities. Nonetheless, more work needs to be done to adapt current programming across USAID to ensure that all assistance is tailored to the particular challenge of communities facing the effects of climate change.

Recommendations

Congress should require the Administration to develop a new Global Climate Change Strategy.

After being extended for two additional years, USAID's Global Climate Change Strategy expired in 2018. There are no current plans to develop a new strategy to ensure that climate change is appropriately integrated in program design and implementation, or to set new goals for climate mitigation and adaptation programs. A new global climate change strategy for assistance must address potential risks to mitigate any threats to hard-fought development gains stemming from climate change.

Congress should require USAID and the State Department to further mainstream climate across foreign assistance programs and establish metrics to better track climate adaptation expenditures and program outcomes.

USAID and the State Department must work toward requiring agency-level reporting, to be included in reporting such as the USAID Annual Performance Report, to understand how the U.S. government is contributing toward climate change adaptation outcomes. In an effort to ensure that climate risks are

¹⁷ According to the Government of Ethiopia and humanitarian partners.

accounted for in assistance program designs, USAID utilizes a framework for Climate-Resilient Development. This process requires all new Country Development Coordination Strategies to include an annex that incorporates climate risk analysis. Unfortunately, the State Department does not have a similar requirement to incorporate climate risk analysis in U.S. mission and planning resources, like the Integrated Country Strategy. USAID's effort to incorporate risk analysis and ensure that program strategies are aligned is commendable, but these strategies do not ladder up into any broader agency tracking. Moreover, the lack of similar or joint strategic guidance limits any ability to cumulatively monitor the performance of programs that help countries adapt to climate change or track climate adaptation outcomes.

The State Department should reappoint a Special Envoy for Climate Change.

As climate change will be one of the defining global issues of the next several decades, the United States government needs strong leadership and coordination to ensure that both policy and foreign assistance are aligned across different agencies. Beyond representing the United States in international fora related to climate change issues, the Special Envoy for Climate Change would be charged with coordinating across agencies, including the State Department's Office of Oceans and International Environmental and Scientific Affairs (State/OES), as well as the climate-focused positions within USAID's structure, including positions within the new Bureau for Resilience and Food Security (RFS) and the Bureau for Development, Democracy and Innovation (DDI).

Congress should prioritize both bilateral and multilateral adaptation funding for vulnerable communities.

Globally, less than one third of climate-related funding is currently going toward the least developed countries and an even smaller percentage is being directed toward fragile environments. Yet the climate is already changing, and vulnerable communities are most at-risk and the most ill-equipped to manage climate shocks. Congress should include bill language (a hard funding directive) for climate adaptation funding in the State and Foreign Operations appropriations bill (SFOPs) for no less than \$200 million in the FY 2021 bill, and increase funding each subsequent year to meet growing needs.

In addition to scaling up bilateral climate adaptation funding, the United States should honor existing commitments and contribute robustly to the Green Climate Fund (GCF). The GCF aligns with and amplifies the goals of U.S. development assistance and the broader UN Sustainable Development Goals (SDGs). The Fund's focus on co-finance arrangements means that every \$1 contribution leverages \$2.56 from other sources. This arrangement promotes burden-sharing and increases the effectiveness and reach of U.S. assistance. During the initial resource mobilization of the GCF, the U.S. pledged \$3 billion to the fund. By early 2017, however, only \$1 billion had been transferred, and no additional contributions have been made. To address this gap, in the FY 2021 appropriations cycle, Congress must appropriate no less than \$500 million to the GCF. We also urge U.S. policymakers to leverage the voice and vote of the U.S. on the GCF Board to encourage the GCF to increase the amount and speed of adaptation to local level (sub-national) organizations and governments. This will allow funding to quickly reach the local communities that are already feeling the impacts of the climate emergency. The United States should engage diplomatically and lead global efforts to ensure the GCF is providing at least 50% of its funding to adaptation financing for fragile states as quickly as possible.

Congress must strengthen and improve multilateral policies to support climate-smart, risk-informed development.

The U.S. Congress should, via appropriations and authorization, direct the United States Treasury – which sits on the boards of multilateral institutions (MFIs) like the World Bank, Asian Development Bank, Inter-American Development Bank and African Development Bank – to use its voice and vote to urge that MFIs implement climate-smart, risk-informed development programs. MFIs are the predominant infrastructure

lenders for developing countries. In addition, to ensure the most effective use of resources and advance climate change goals, U.S. policy and strategies should ensure MFIs are using grants and loans to advance more resilient infrastructure programming, including incorporating nature-based solutions (i.e., green infrastructure) where appropriate.¹⁸ Additionally, for adaptation and resilience programming to have the most impact, citizen voices should be heard and incorporated into government policies. The United States can push MFIs to incentivize and encourage national governments to work and consult more with civil society to develop national disaster risk-reduction strategies.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within.

Now, and for the future.



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¹⁸ Nature-based solutions are defined by the International Union for Conservation of Nature as, “actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits.” Further information can be found here: <https://www.iucn.org/commissions/commission-ecosystem-management/our-work/nature-based-solutions>