

**Statement of Agency Climate Change Coordinator, Gillian Caldwell
U.S. Agency for International Development**

Subcommittee On International Development, International Organizations and Global Corporate
Social Impact
and
Subcommittee on Europe, Energy, the Environment, and Cyber

**Preparing for COP26: United States Strategy to Combat Climate Change through
International Development**

October 21, 2021

Chairman Castro, Chairman Keating, Ranking Members Malliotakis and Fitzpatrick, Distinguished Members of these Subcommittees: Thank you for the opportunity to testify about U.S. efforts to combat climate change through international development.

As an Agency that addresses the world's toughest challenges, no challenge poses a greater threat to our planet than climate change. The scientific record is clear that carbon pollution is heating our planet -- threatening our health, safety, economy, and security. As the overwhelming scientific consensus in the recent Intergovernmental Panel on Climate Change (IPCC) report confirmed, if unchecked, the consequences of climate change will be catastrophic to life in the United States and in every country on the planet. A blanket of pollution has been created around the earth. This blanket traps heat and is dangerously heating the planet. Even if the world bands together to reduce greenhouse gas emissions to net zero tomorrow, the impacts of climate change are already here and are not going away - from punishing storms and devastating floods to grueling droughts, extreme heat waves, and raging wildfires.

The good news is we know how to solve this – by switching to cleaner and cheaper energy and conserving forests and other natural buffers against climate change. But the world has a narrow window remaining to avoid the worst-case scenarios. However, climate change is not just an existential threat - it is a major strategic opportunity for the U.S. A global green economy offers a massive investment opportunity for U.S. businesses, new markets for American science and technology, and new jobs in cutting-edge sectors.

This is why President Biden has made addressing the climate crisis a top priority for the U.S. Government and for USAID. I am honored to step into the role of Agency Climate Coordinator to guide USAID's efforts to combat climate change at this pivotal moment, and I look forward to working with both of these Subcommittees and Congress to further this important mission.

Next month, world leaders will convene at COP26 in Glasgow to update the commitments made under the Paris Agreement in 2015. The unfortunate reality is that the existing country pledges fall short of what is needed to rein in the climate crisis. U.S. global leadership in securing and implementing more ambitious emission reduction and climate finance commitments at COP26 is essential for limiting global warming to 1.5 degrees Celsius and setting the world on a more sustainable pathway.

USAID plays a vital role in mitigating climate change and addressing its impacts by partnering with more than 45 countries to implement locally-led ambitious emissions reduction measures, protect critical ecosystems, transition to renewable energy, build resilience against the impacts of climate change, and promote the flow of capital toward climate-positive investments. We are also integrating climate considerations across USAID's portfolio to protect development progress. We work with developing countries to make their climate commitments a reality through our international development and humanitarian assistance programs and partnership -- supporting countries and local communities with the long-term technical assistance and capacity building necessary to make transformative shifts in energy systems, natural resource management, agriculture, and other key sectors.

For example, we have partnered with countries like Colombia, India, and Kazakhstan to lay the groundwork for large-scale renewable energy adoption by helping to revise policies and regulations, build technical capacity, and mobilize investors. With our support, the Government of Colombia recently held the country's first ever renewable energy auction, which attracted \$2 billion in private investment for new large-scale renewable energy plants, including more than \$250 million of U.S. private sector investment.

In countries like Indonesia, the Democratic Republic of Congo, and Vietnam, USAID is partnering with governments and local communities to combat climate change by protecting forests and other critical carbon sinks -- the lungs of the planet. For example, USAID has partnered with the Government of Vietnam on a series of programs that

conserve forests since 2007. USAID's support has helped enable the government to mobilize millions for conservation through payments-for forest-environmental-services by local businesses and utilities that benefit from these services. The program now mobilizes \$127 million of domestic revenue annually for forest protection and is expanding to cover 6 million hectares of forest.

However, even our most ambitious emission reduction efforts will not change the stark reality that the impacts of climate change are already happening. The climate crisis is sowing instability, precipitating threats to our national security, and jeopardizing the progress we have made with the taxpayer dollars Congress has invested in global development, prosperity, and security.

Nearly one-third of the world's population depends on climate-sensitive activities like agriculture and fisheries for their livelihoods. Climate change could push 100 million people into poverty by 2030 and displace over 1 billion people by 2050, with the most vulnerable groups hit the hardest. What will these people do and where will they go if climate change washes away their homes or dries up their livelihoods and opportunities?

USAID works on the ground with many of the world's most vulnerable countries and communities to reduce risks and adapt to climate change. We work with local farmers, national governments, and everyone in between to make food, water, health, and infrastructure systems more resilient to the impacts of a changing climate. As the lead federal coordinator for international disaster assistance, we also work closely with partner countries and communities to improve disaster preparedness and resilience in the face of increased climate hazards. For example, we partner with countries to strengthen early warning systems for climate hazards including through access to real-time data and training, improving the capacity of institutions, communities, and governments to proactively address risks to natural hazards and disasters. In the past three years alone, climate-related disasters have cost the world \$650 billion. Investments in climate adaptation and readiness save lives and it saves money. Every dollar invested in adaptation over the next decade will yield at least three times the return in net benefits.

At USAID, we face the difficult challenge of needing to simultaneously confront the most urgent demands of the climate crisis in the here and now, while also supporting long-term transformative changes in key systems like energy and agriculture that are necessary to put the world on a more sustainable trajectory.

To guide our efforts to confront these complex challenges, USAID is developing an ambitious new Climate Strategy that reflects the prioritization and urgency needed to address the global climate crisis. Our new strategy will mark an important shift in strategic focus for USAID. Rather than viewing climate change as “just an environmental issue”, the new strategy will acknowledge the reality that climate change touches all parts of USAID’s portfolio, from governance and economic growth to health, human rights and conflict. Under our previous strategy, we took a targeted approach to learn and make progress in specific areas. Under our new strategy, we will move to an agency-wide and holistic approach to achieve results at massive scales

The new strategy which will guide our activities through 2030 centers on two main strategic objectives:

- 1) Addressing the most immediate demands in the here and now - from supporting the most vulnerable communities suffering climate impacts today to helping fast-growing emerging economies make big cuts in emissions. USAID will respond to the urgency of the moment and target climate mitigation and adaptation efforts in the near-term in priority countries and contexts to have maximum impact. We will also focus on using our climate mitigation and adaptation funds to leverage substantial additional investments from the private sector.
- 2) Supporting long-term, transformative changes in key systems - like agricultural, energy, and transportation - that will be neither easy nor quick. In this area, USAID will take a systems approach to achieve these long-term transformations in ways that are equitable, inclusive, and locally-led.

These objectives are not mutually exclusive. USAID will endeavor to achieve both in parallel or, at times, sequentially, through a series of intermediate results.

This strategy - along with our new Climate Readiness Plan and forthcoming Sustainability Plan - will also guide USAID’s efforts to do our part through reforming USAID’s own operations to strengthen the diversity, equity, inclusion, and accessibility of the Agency’s climate workforce, improve resilience and reduce emissions from our facilities and operations, and update our social safeguard policies among other changes. We are likewise centering our programmatic work under our Climate Strategy in principles of equity, inclusion, and locally-led development. We are strongly committed to partnering with Indigenous Peoples, women, and youth, all of whom are well placed to make their own, unique and essential contribution to combating climate change. We will

work with vulnerable populations to reduce climate harms and support empowerment and equitable solutions.

Our new strategy will ensure that USAID's programs and investments are effectively aligned with the significant challenges that confront us while drawing on our strengths as the world's leading bilateral development agency. USAID's strategy is closely aligned with broader US Government strategic efforts and will complement and reinforce the work of our interagency partners, including the State Department, US International Development Finance Corporation, and the Millennium Challenge Corporation. We will also take advantage of USAID's deep on-the-ground networks and long-standing in-country programs to leverage the expertise of more domestically focused agencies, such as the Departments of Energy, Transportation and Agriculture, to marry cutting-edge American science and innovation with local capacity and conditions to solve complex challenges.

Finally, let me emphasize the fact that our work overseas benefits the middle class here at home. As we look to build back our economy and become a leader in global manufacturing of clean energy, USAID is helping to open the world's most rapidly expanding markets for those goods and services. As we work to better address core drivers of migration, USAID is partnering with communities across the globe to prepare for and respond to the climate impacts driving people from their homes. And as we continue to recover from a record-breaking year of extreme weather events here in the U.S., we note that climate change knows no borders. Failure to act globally to tackle the climate crisis has already led to dire impacts locally.

Fully confronting the climate crisis overseas will require large-scale investments to transform economies, reshape energy, food, and transport systems and spur the restoration of forests and other carbon-rich landscapes. President Biden's recent commitment to increase U.S. public climate financing to \$11 billion for developing countries, quadrupling the U.S. commitment from Obama-era levels by 2024 is a major step forward and will help catalyze larger investments from other nations.

USAID is playing a key role in the U.S. Government's first-ever U.S. International Climate Finance Plan, which was released earlier this year. Our new Climate Strategy is being designed to complement and align with the U.S. International Climate Finance Plan and to build on our strong field presence and in-country relationships. Under these strategic frameworks, USAID will leverage additional climate financing from a wide

range of partners - global and local, public and private - and guide them to the most effective solutions on the ground. For example, USAID programs like Green Invest Asia will mobilize an estimated \$400 million of private finance into sustainable commodity production by 2022.

Recognizing that this decade is pivotal for confronting the climate crisis, USAID's new strategy will run through 2030 and will set aggressive timelines and ambitious targets for reducing global emissions, supporting people in adapting to climate impacts, and mobilizing climate financing for developing countries. We will be holding ourselves accountable for achieving those results by ensuring we have near term targets for achievement by the end of the President's first term and by announcing them to the world when our draft strategy is released at COP26.

We look forward to engaging in an ongoing partnership with Congress as we finalize the strategy and ramp up efforts to address this global crisis.

Thank you to this subcommittee and Congress for your support of USAID's climate efforts. We need your support to address this existential threat.

I look forward to your questions.