

Notes on UAA Development Issues Committee Discussion

“COP-26 and the Implications for U.S. Foreign Assistance Programming on Climate Change”

December 14, 2021

Discussion leaders were, Kathryn Stratos, Deputy Director of USAID’s Center for Environment, Energy and Infrastructure and leader of the Climate and Cross Sectoral Strategy Branch, and former USAID Mission Director Jay L. Knott, Senior Executive Vice President and Chief Operating Officer of the Environmental Defense Fund (EDF)

Stephen Giddings, Development Issues Committee (DIC) Co-Chair welcomed discussion leaders and provided an introduction of distinguished guest to open the discussion on the 2021 United Nations Climate Change Conference, known as COP-26 which was held in Glasgow, Scotland from October 31 to November 12, 2021. Both guests provided introductory remarks.

Kathryn Stratos, began the discussion by sharing one slide to highlight the Conference’s key points and main activities which included on going negotiations, networking among participants, and polite protest activities inside and more robust ones outside the Conference. The U.S. delegation was well represented. President Biden attended along with U.S. Special Envoy on Climate John Kerry, USAID Administrator Samantha Powers, and 10 other U.S. government agency heads. Kathryn attended the conference.

Kathryn discussed some of the following Conference’s accomplishments:

- Negotiations on development of tables used to report on green gas emissions;
- An emerging consensus that 1.5 degrees Celsius needs to be the goal;
- Recognizing the need for greater emphasis on adaptation support;
- Greater emphasis on loss and damages and mitigation to reduce greenhouse gases;
- Initial discussions on phasing out the use of coal;
- Rules that govern the Paris Agreement now established; Article 6 of Agreement on international carbon markets;
- And established guidance on how to treat carbon reduction under Kyoto Agreement and credit for reductions.

In her introduction closing remarks, Kathryn stated the USG view point is that the Conference was considered a success. Many countries came forward with more national contributions and commitments due primarily to the work of Special Envoy for Climate John Kerry. While progress has been made, she said there is still not enough commitments that will add up to keeping global warming to no more than 1.5 degrees Celsius. While many countries were disappointed that the goal of providing \$100 billion to assist with climate has not yet been reached, USAID will continue help countries to develop adaptation policies, renewable energy, and carbon markets.

Jay Knotts, former USAID Mission Director, concurred with Kathryn’s summary of the Conference’s highlights and accomplishments. He also pointed out some of the positives that EDF were pleased with was the global emphasis on methane. He explained that reducing one unit of methane can reduce 100 units of carbon. He was pleased with the Conference’s pledge to reduce methane by 30% by 2030. He

stated for example that India, a big producer of carbon, made a significant commitment to reduce carbon by 45% by 2030 with a goal of becoming a net zero producer by 2070. Jay further added that the focus on carbon markets is a step forward to reducing deforestation. He was pleased with the Conference's pledge of \$1.7 billion to local communities to support commitment to end deforestation by 2030.

While there were some key positives in the Conference, Jay noted there were also some disappointments in COP-26. He explained that there are both makers and takers in climate change. The impact of climate change will vary depending on where one lives. He noted that if all pledges made are implemented, and 1.5 Celsius is achieved, the International Energy Agency has calculated that global warming may still reach 1.8 degrees Celsius by 2100 which means that the current commitments being made is still insufficient and the takers will suffer more.

Jay thought another positive of the Conference was that given the differences, he thought the U.S. and China can find some common ground to dialogue around climate change. The \$100 billion commitment made in Copenhagen for mitigation and adaptation, of which 70% has already been committed is for mitigation. Most of that amount had gone to middle income countries and not poorer countries. He stressed that more needs to go to adaptation, especially to poor countries. More urgent and dynamic actions are needed even if all pledges are provided. In terms of finance and climate, he suggested that more businesses have committed and will need to commit more to climate friendly behavior in their investments. In terms of financing, he mentioned the work that the World Bank is doing in the fiscal restructuring of loans to support climate change actions. In providing financing to countries to address climate change, he warned of the need to be mindful of the "debt-trap."

Jay summarized some of the big take aways of COP-26 as the growing emphasis on methane and enabling carbon markets. Nevertheless, he is still worried about the lack of urgency in actions among many countries and what it may mean for countries that are takers of climate change versus countries that are makers of climate change. He concluded that greater advocacy is needed to mobilize support and resources.

Stephen Giddings opened up the Q&A part of the discussion with asking about the massive amount of methane in Russia in the tundra and what can be done. Kathryn said Russia signed on to the global methane pledge which is great start. Jay said much of the methane leakage happening today still unknown. Hopefully the EDF will learn more from using satellite images to see where the leakages are happening around the world, especially Russia as well as in Texas. He said the difficulties in monitoring is because a lot of the info is in private hands and not made public. He looks forward to public forums that will be held to discuss where leakages are happening, to improve tracking, and to take stronger actions.

Stephen Haykins asked how well represented was Africa at the Conference. Kathryn responded that there were various blocks including G77, but there were fewer countries present. She said some of the small island states represented were more vocal in their advocacy to reduce greenhouse emissions. Jay further added that Covid19 had a big impact on participation. He also stated that during some of the international dialogues at the Conference, countries were asked to set aside more resources for climate change.

In continuing the Q&As, Stephen raised the question by a member on carbon offsets and flaws in current policy. Kathryn responded that USAID can contribute by providing support to increase capacity in accounting and quality of reporting on greenhouse gas emissions as well as set standards for accounting and reporting. Jay agreed there are risks in double counting but steps can be taken to eliminate it in the implementation and validation process in accounting.

Another question was whether USAID and EDF supported solar cooking. Kathryn responded that USAID provides some support in various programs. Jay said EDF supports solar cook stoves as a matter of principles. His organization support Brazil, for an example, on solar cook stoves and deforestation.

Stephen Haykin asked a question on whether there are changes needed in the global discussions approach on reforestation. Both Jay and Kathryn thought the COP is a good vehicle because it brings many stakeholders together where they can learn from each other. However, because so many are involved one may not always obtain consensus on actions that are needed.

Another question raised by a member pertained to localization and climate change efforts and where does one start. Kathryn responded that USAID will focus on local capacity. Indonesia for example was highlighted as an example of being proactive. The country made a significant contribution in incorporating climate change in its national development plan and its budget. USAID provided some support and will encourage other country to take similar actions. Jay also gave the example of Mexico and its focus on reforestation, and in Brazil working with local indigenous communities. In a follow up question, some of the challenges of capacity building mentioned was maintaining local technical expertise because of poaching and individuals attracted to work with international organizations. There is a need for continued reinvestment. Kathryn noted that Samantha Powers has committed USAID to a goal of 25% of its procurement to local organizations to support local capacity building.

In a question related to modality and implementation, Gail Spence asked on how climate change will be incorporated in USAID programming. Kathryn responded that USAID will take a wholistic approach to climate change and encourage regional and technical offices to incorporate it in their base work, strategy and program design. She noted that the Agency has a climate change council to support these efforts. USAID activities will support more systems to help reduce climate change as well as financial restructuring to increase resources available. In response to another question on USAID's own efforts, Kathryn said USAID as an Agency will look at how it can reduce its own carbon footprint in its operations and its implementors to contribute to de-carbonization.

Before his departure from the discussion Jay mentioned the need for more advocacy on climate change to create greater support and resources to support needed actions. Jay thanked everyone for their attendance and encouraged everyone to focus on climate change and public support from committed leaders.

After Jay's departure from the discussion, Kathryn spent the rest of the time summarizing USAID's draft climate change strategy. She said more than 4000 comments were provided on the strategy. Her slide presentation showed the Agency's strategy framework which consisted of its goal and two main objectives which are: 1) facilitate targeted direct actions; and 2) drive system change. The slides shared also included intermediate results (IRs) to support the objectives. The strategy is focused mainly on efforts to help achieve a "net zero" goal in global warming. Kathryn said the strategy also includes a

special objective that pertains to USAID doing its part where the Agency will look at itself as an institution to address climate change.

Stephen Haykins asked a question on how problem analysis was done on an international level. Kathryn responded that the resource criteria used in past could be adjusted depending on needs. Kathryn said currently USAID receives funds from Congress in three bucket areas: renewable energy, sustainable landscapes, and governance. Missions that receive climate change funding will be provided with assistance to help develop host country climate change policies and systems.

A question on oceans was raised by a member. Kathryn responded that USAID's work on oceans is evolving because of the issue of plastics. USAID is working with coastal cities to reduce plastics, mangrove restoration and conservation.

Stephen Giddings asked about the strategy's sustainable landscapes objective. He suggested that it seems to emphasize more about reforestation and he asked about cities. Kathryn said the strategy with focus on green space in cities.

In reference to resources for host governments, Gail Spence raised question whether USAID will make available resources to host country governments whether Missions receive or not receive direct funding for climate change. Kathryn thought this idea of creating products for host government may be worth exploring as part of USAID's knowledge management approach. She mentioned that climatelinks.org which is a knowledge portal focus more on USAID staff and implementors to gather resources and share studies and reports could be a source for host governments interested in information. She added that work supported by the National Renewable Energy Laboratory could be a space where host governments can get info and lessons learned from other countries.

Stephen Haykins asked if there were ways if member that were interested could to continue the conversation with the Agency. Kathryn said the Agency is dealing with how to engage in a whole of government approach because a lot of work on climate change will be shared with other agencies. She wants to learn from UAA members their experience with whole of USG efforts, lessons learned, and recommendations on USG coordination. She welcomed the opportunity to be able to come to UAA with questions. If people are on the star roster that can be one way to reach out to members. She mentioned that an institutional contract called TOPs is being set up to help with staffing needs and for missions to buy-in if short term assistance is needed. Stephen said he could organize a follow up on specific discussion points or email exchanges among members depending on interest.