

THE NEW ERA OF EXECUTIVE ACTION

# PROTECTING INTERNATIONAL DEVELOPMENT FROM CLIMATE CHANGE RISK

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## Background

The Obama administration's efforts to arrest climate change currently have the priority of reducing carbon and other greenhouse gas emissions through the Environmental Protection Agency's Clean Power Plan and automobile fuel efficiency standards, and through international diplomacy leading up to the Paris climate talks in December. The fact is, however, that mitigation can only go so far—historical greenhouse gas concentrations mean that some climate change effects will be unavoidable and, indeed, are already occurring.

We are already seeing the impact of climate change around the world, and the administration realizes that some of its assistance programs could have their success put at risk by the various impacts of climate change. To that end, the administration wants to ensure that its aid and development programs take climate change into account in allocating funds and approving projects. The administration also realizes that it must work with partner nations to ensure that their own assistance programs do the same, and that—specifically in the case of vulnerable developing world nations—their economic development plans take into account how climate change will affect their own natural resource endowments. (For example, how glacial melt in the Himalayas might affect farming and hydroelectric power generation in India and Pakistan.)

Measuring the impact of climate change on development projects is no less critical for the international financial institutions in which the United States is a major shareholder, especially the World Bank and the International Monetary Fund. When the World Bank funds an infrastructure program overseas, for example, the administration wants assurance that the program has been thoroughly vetted to consider present and future climate change risk. If a specific highway program goes up along a country's coast, to what extent will that highway be affected by future sea level rise? How reliant is

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an agricultural irrigation program on the predictability of seasonal rainfall, which may shift with rising global temperatures?

The bottom line is that the administration recognizes that Americans want to feel confident that their tax dollars are being invested wisely in projects that a low-risk threshold with regard to climate change impacts.

## Action

On September 23, 2014, President Barack Obama issued Executive Order 13677: Climate-Resilient International Development.

## What It Does

Executive Order 13677 requires that all international aid and development programs that the United States runs or is involved in through international institutions take into account the current effects and anticipated future impacts of climate change in designing, implementing, and evaluating assistance programs. The order requires sound climate risk-management planning for the programs it funds. It establishes a Working Group co-chaired by the secretary of the treasury and the administrator of the U.S. Agency for International Development (USAID) to oversee an interagency process designed to build strategies and best practices for identifying and reducing climate risk in U.S. development assistance.

One real-world application of this order would be requiring USAID to consider how sea-level rise and increasing intrusion of saltwater from the Bay of Bengal into river systems in Bangladesh would affect its crop assistance programs to Bangladeshi farmers, mandating, for example, investments into saline-resistant rice seeds.

## Status

Executive Order 13677 directs the Treasury- and USAID-led Working Group to establish a two-year timeline to implement strategies for relevant departments, with specific intermediate milestones for its members. The reporting stage is divided into two sections: one for agencies with “direct international development programs and investments,” and another for agencies that participate in “multilateral entities.” The first six-month interval expired in March 2015; it remains to be seen if any deliberations or updates will be made public.

## Impact

Until the report of the Treasury-USAID Working Group is released, it is too soon to tell what specific impact the order is having on current operations. To some extent, the order codifies what USAID has already been doing in the field, as well as providing uniform guidance for how the Treasury

Department judges how the United States is participating in international development institutions (such as the World Bank).

## Response

Most commentary on the order has been positive, giving the Obama administration credit for prominently underscoring the importance of using a resilience lens to view the sustainability of aid and assistance programs, even if the order only reinforces a lot of action that was already happening at the department level.

- *Grist's* Ben Adler writes that the order will have the most impact in the wider context of the administration's actions on climate change: "environmentalists are unanimous in praising the executive order. But they are also underwhelmed, and are calling for more action on funding climate mitigation and adaptation efforts in the developing world."
- Lisa Goddard, director of the International Research Institute for Climate and Society at Columbia University, wrote positively about the order, especially highlighting its efforts at sharing U.S. technical and scientific data with developing world nations: "The approach it lays out has already been tested. It is working in some of the most impoverished areas of the world to increase food security, decrease vulnerability to disasters and predict outbreaks of diseases such as malaria. It leverages and adds value to existing capacities—from satellites to super computers—and it can build on other recent campaigns that have mobilized science to eradicate poverty, hunger and disease."
- An unsigned *Reason* blog post on the order reprinted an extract, adding the title "Obama Announces Climate Change Executive Order: Bow down! The philosopher king knows best!" with no additional commentary, evidently as part of a more general criticism of executive orders. This criticism is proffered despite the fact that EO 13677 does not require additional congressional appropriations or oversight of internal guidelines for executive agencies and departments.