



# Climate Risk Screening and Management Tool

*For use in activity design*

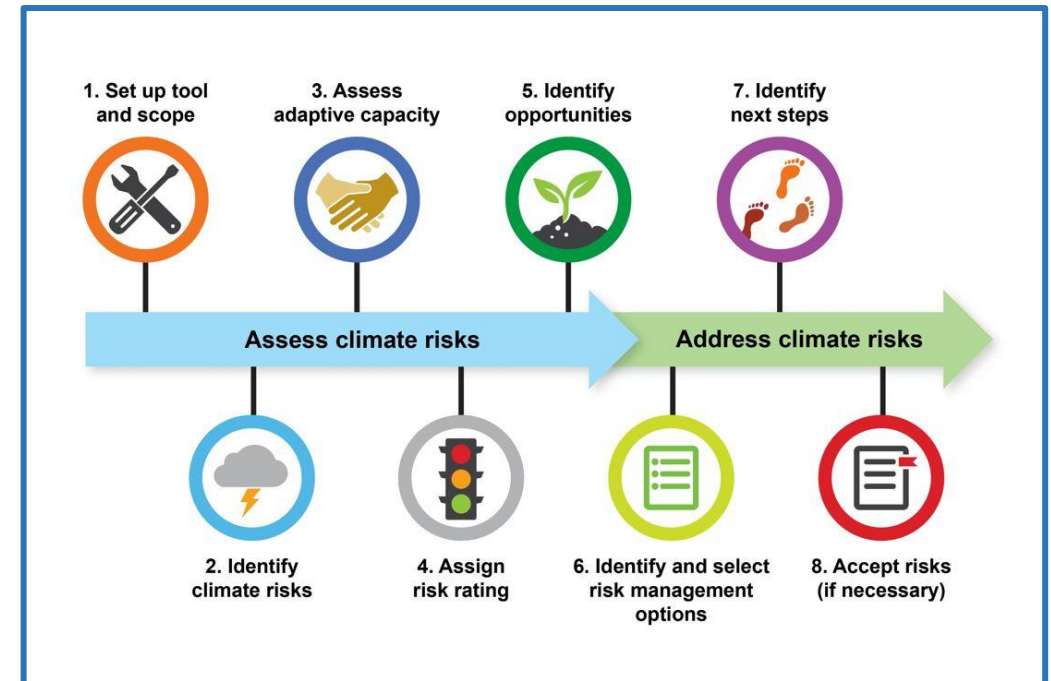
**Purpose:** This tool guides USAID activity planners and support staff through the process of assessing and addressing climate-related risks. This process will help to ensure effectiveness and sustainability of activity objectives in the face of **climate variability and change**.  The output of this tool provides information for the table required in [Climate Risk Management for USAID Projects and Activities: A Mandatory Reference for ADS Chapter 201](#).

**Structure:** The tool guides you through the steps shown to the right. For additional information, you will find purple pop-ups with definitions and yellow pop-ups with examples throughout the tool.

**Additional Resources:** This tool should be used in conjunction with climate information, such as these country-specific [climate risk profiles](#), which describe climate stressors and the major types of risks that climate change poses to each country. Additional resources can be found in [the annexes](#) of this tool and on [Climatelinks](#).

**Climate change impacts different groups differently:** All analysis using this tool should reflect a commitment to social inclusion that considers the different societal roles, needs, constraints, and opportunities of individuals and groups based on their identities, including gender, age, sexual orientation, disability status, linguistic status, and ethnicity— particularly **marginalized populations**. 

**Turn the page to get started!**



## TOOL NAVIGATION


**PART A:** 1. [Set-Up](#) | 2. [Climate Risks](#) | 3. [Adaptive Capacity](#) | 4. [Climate Risk Rating](#) | 5. [Opportunities](#)  
**PART B:** 6. [Climate Risk Management Options](#) | 7. [Next Steps](#) | 8. [Accepted Climate Risks](#) | [Output Matrix](#)

## PART A: ASSESS CLIMATE RISKS

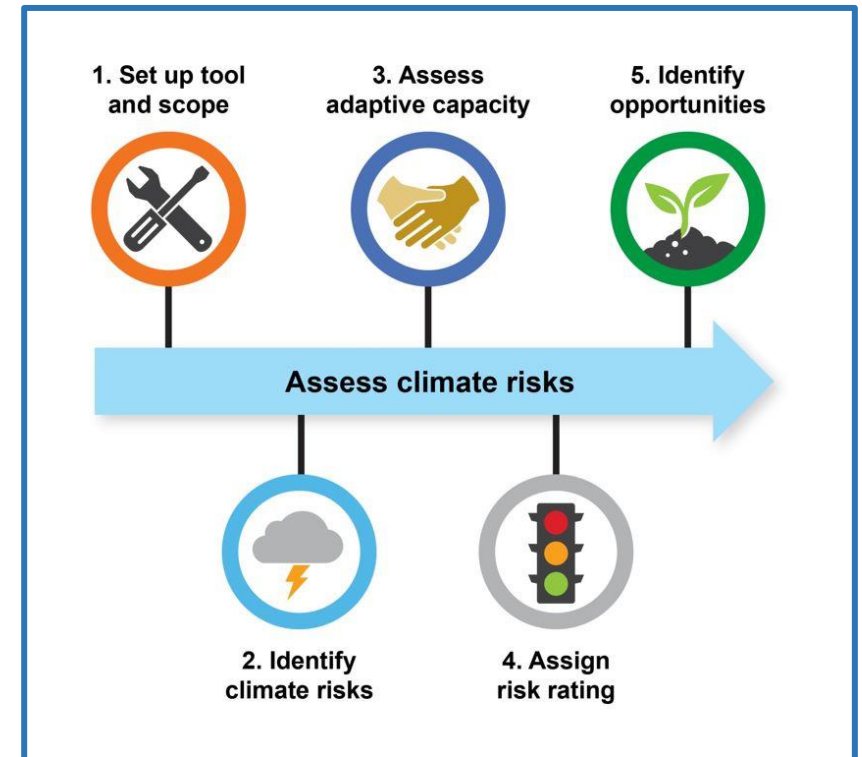
**Part A** of the tool helps you assess climate risks and should be used early in the activity design process – before the activity’s theory of change, as applicable, and implementation plan are finalized. Click [here](#) to see a diagram summarizing the complete climate risk screening and management process for activity design. For more details, see the [Mandatory Reference](#).

If this activity falls under a PAD (Project Appraisal Document) that was screened for climate risks (i.e., the PAD was produced after October 2016), review the table in the PAD or the project’s Environmental Compliance Analysis that describes climate risks, actions to address the climate risks, opportunities, and next steps for activity design.

If this activity does not fall under such a PAD, but does fall under a Regional or Country Development Cooperation Strategy (R/CDCS) that was screened for climate risks (i.e., the R/CDCS was produced after October 2015), review the R/CDCS Climate Change Annex for the aforementioned information.

- *If the project element(s), Development Objective (DO), Intermediate Result (IR), or Sub-IR pertaining to this activity was rated **low climate risk**, no further assessment is required at the activity level.*
- *If the project element(s), DO, IR, or Sub-IR pertaining to this activity was rated **moderate or high climate risk** at the strategy or project level **and** the design team determined that information about the project’s approach and/or the relevant climate change impacts was not adequate to assess or address the climate risks, **climate risk management**  is required at the activity level. Using this tool is one option for assessing and addressing climate risks. See the [Mandatory Reference](#) for more details on when to conduct climate risk management and what type of assessment you may want to conduct.*

If this activity does *not* fall under a screened PAD or R/CDCS, climate risk screening and management is required at the activity level. This tool walks you through that climate risk screening and management process.



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# 1. SET UP TOOL

## 1.1 Identify What to Screen


Enter each defined or anticipated task or illustrative intervention in column 1.1 of the [Output Matrix](#) (pg. 12). These are the tasks or interventions you will be screening. An [excel version of the Output Matrix](#) can be used to record your results.

## 1.2 Identify Timeframes

For each task or intervention, determine the relevant timeframe for this assessment, i.e., the period of time over which you expect the task or intervention to provide services or contribute to development. In most cases, this is longer than the activity timeframe. Also, consider the longevity of decisions stakeholders may make as a result of the investments. **See examples.** 

Record the appropriate timeframe for each task or intervention in column 1.2 of the [Output Matrix](#) (pg. 12).


## 1.3 Identify Geographies


For each task or intervention, identify and record the geographies to screen in column 1.3 of the [Output Matrix](#) (pg. 12). You may choose to analyze the activity's geographic scope as a single country or region. **See examples.** 


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## 2. IDENTIFY CLIMATE RISKS




Next, identify the risks that climate change poses to each task or intervention. See the definition of **climate risks**. 

To begin, **download and review the [climate risk profile\(s\)](#) on [Climatelinks](#)** for the country(ies) or region(s) in which the activity will be carried out. The climate risk profile describes **climate stressors**  and the major types of risks that climate change poses to each country or region. You may complement the climate risk profile with your own knowledge of the geographies you have identified. This will be especially important if the profile does not provide information specific to the selected geographies. Other sources of climate information may be available and helpful, e.g., the World Bank's [Climate Change Knowledge Portal](#). Consult with your operating unit's Climate Integration Lead (CIL) to identify additional information, if needed.

For global activities, you will not be able to review all of the relevant climate information. Instead, you will need to consider the types of climate risks that might be expected to affect the activity you are developing. **See example.** 

Consider climate risks within the timeframes identified. Take note of uncertainty and consider the full range of future climate scenarios

Review the following questions for each task or intervention and **document the climate risks in column 2 of the [Output Matrix](#) (pg. 12).**

- How has the task or intervention (or a similar one) been impacted by climate change in the past few decades? This may include risks from gradual climate change (e.g., sea level rise) and climate variability or weather-related disasters (e.g., droughts, floods, extreme storms). How severe were those impacts? Were any populations disproportionately impacted?
- Given projections of future climate change, how might the task or intervention be affected? This may include **changes in climate variability.**  How severe might those impacts be?
- How might climate and **non-climate stressors**  interact to exacerbate climate risks? **See example.** 

Remember to articulate climate risks in terms of their impacts on programming due to the expected climate stressor, e.g., *reduced crop productivity due to higher temperatures*.

**Optional:** Sector-specific examples of climate risks are available in the annexes listed below, which can be found on [Climatelinks](#). Note, if construction is anticipated, consulting the Infrastructure, Construction, and Energy annex is **highly recommended**. Construction at USAID almost always occurs within another primary programming area (e.g. school building for education, hospital/clinic construction for health).

- |  |  |  |
|--|--|--|
| • Agriculture  | • Education, Social Services, and Marginalized Populations | • Health                                   |
| • Disaster Readiness   | • Environment and Biodiversity                             | • Infrastructure, Construction, and Energy |
| • Economic Growth (excluding Agriculture, Infrastructure, and Environment) | • Governance and Peace and Security                        | • Water Supply and Sanitation              |





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### 3. ASSESS ADAPTIVE CAPACITY

Next, consider the extent to which there is the capacity to prepare for and undertake actions to address climate risks, including demonstrated capacity to respond to climate impacts in the past few decades. Consider the adaptive capacity of all relevant activity stakeholders potentially affected by climate change, as well as others that can contribute to adaptive capacity (e.g., civil society organizations, government agencies).

Review the following questions in order to describe adaptive capacity in each of the following areas. **Record your responses in column 3 of the [Output Matrix](#) (pg. 12).**

- **Information Capacity:**  What is the capacity of relevant stakeholders to collect and use information related to climate risks in this sector/geography?
- **Social and Institutional Capacity:**  What institutions and social networks exist, and what is their capacity to support this sector/geography in preparing for and responding to climate impacts?
- **Human Capacity:**  What resources, including technical and other know-how, exist amongst individuals and organizations to support this sector/geography in preparing for and responding to climate impacts?
- **Financial Capacity:**  What types of financial resources might support this sector/geography in preparing for and responding to climate impacts?

Optional: Sector-specific questions that can help you further explore adaptive capacity are available in the annexes listed below, which can be found on [Climatelinks](#).

- Agriculture
- Disaster Readiness
- Economic Growth (excluding Agriculture, Infrastructure, and Environment)
- Education, Social Services, and Marginalized Populations
- Environment and Biodiversity
- Governance and Peace and Security
- Health
- Infrastructure, Construction, and Energy
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### 4. ASSIGN CLIMATE RISK RATING

Based on your characterization of climate risks and adaptive capacity, assign a qualitative risk rating for each climate risk: low, moderate, or high. The level of risk increases both as the severity of negative impact increases and as the probability of negative impact increases (see Table 1).

**Table 1: Risk ratings** (see examples of **low**, **moderate**, and **high** risk)

	PROBABILITY OF NEGATIVE IMPACT (increases from left to right)		
SEVERITY OF NEGATIVE IMPACT  (increases from top to bottom)	Low probability Low impact <b>LOW RISK</b>	Moderate probability Low impact <b>LOW RISK</b>	High probability Low impact <b>LOW RISK</b>
	Low probability Moderate impact <b>LOW RISK</b>	Moderate probability Moderate impact <b>MODERATE RISK</b>	High probability Moderate impact <b>MODERATE RISK</b>
	Low probability High impact <b>MODERATE RISK</b>	Moderate probability High impact <b>HIGH RISK</b>	High probability High impact <b>HIGH RISK</b>








Record climate risk ratings for each climate risk in **column 4** of the [Output Matrix](#) (pg. 12).

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## 5. IDENTIFY OPPORTUNITIES

Consider the following questions for each task or intervention to identify opportunities for the activity, as well as for broader development objectives.

- What opportunities are there to achieve multiple development objectives or realize co-benefits by addressing climate risks? What opportunities are there to incorporate **resilience**  into other development activities? Are there relevant non-climate policies that can contribute to climate risk management? **See examples.** 
- What “windows of opportunity” may exist due to recently adopted policies or changing attitudes? Can political will (e.g., recently adopted policies, changing attitudes, new leadership, or other developments) be leveraged to address identified climate risks and/or enhance either the activity’s direct outcomes or broader development objectives? **See examples.** 
- How may changes in climate create new **opportunities**  to advance development? **See example.** 
- Are there opportunities to reduce greenhouse gas (GHG) emissions associated with the activity? **See examples.** 
- What are the tradeoffs of pursuing these opportunities? (Not all opportunities will be worth pursuing.) **See examples.** 

Note that opportunities can exist irrespective of the climate risk rating.

**Record the opportunities that you have identified in your responses in column 5 of the [Output Matrix](#) (pg. 12).**

Optional: Sector-specific examples of opportunities are available in the annexes listed below, which can be found on [Climatelinks](#).

- |  |  |  |
|--|--|--|
| • Agriculture  | • Education, Social Services, and Marginalized Populations | • Health                                   |
| • Disaster Readiness   | • Environment and Biodiversity                             | • Infrastructure, Construction, and Energy |
| • Economic Growth (excluding Agriculture, Infrastructure, and Environment) | • Governance and Peace and Security                        | • Water Supply and Sanitation              |

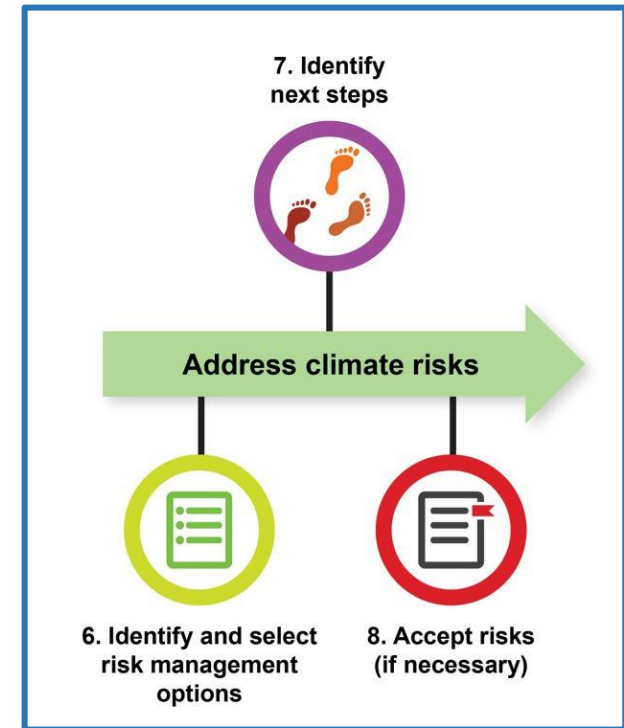
***Congratulations!*** You have completed the first part of this tool. The initial brainstorming of climate risk management options in **Part B** can be done now or you can wait until you are beginning to design your activity.

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## PART B: ADDRESS CLIMATE RISKS

**Part B** of the tool helps you address the climate risks you have identified. This should be done as you develop the activity's results or theory of change, as applicable, and implementation plan, since you will want to include the climate risk management measures in your activity's design. For more details, see the [Mandatory Reference](#). You will start by identifying possible climate risk management options. Then you will decide which options you will use to address the climate risks, identify next steps, and note any climate risks that you decide to accept.





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## 6. IDENTIFY AND SELECT CLIMATE RISK MANAGEMENT OPTIONS

This step will depend on the climate risk rating:

- **Low climate risk:** No additional action to address the climate risks is required. However, design teams are encouraged to engage in climate risk management whenever new information indicates that climate risks and/or opportunities should be reconsidered.
- **Moderate to high climate risk:** These climate risks must be addressed based on the design team's technical judgment and integrated into the activity design and/or implementation. Consideration of tradeoffs and how USAID can best promote resilient development should inform the design team's decision. In some cases, the design team may decide to accept one or more climate risks (i.e., those risks will not be addressed explicitly by risk management options during activity design and implementation); see [Step 8](#).

### 6.1 Identify Climate Risk Management Options

Brainstorm options for addressing the moderate and high climate risks. **Record your ideas for climate risk management in column 6.1 of the [Output Matrix](#) (pg. 12).** While you may not incorporate all of these options, having a record of your ideas may prove useful in the future. You will select options to pursue in the next sub-step.

Optional: Sector-specific examples of climate risk management options are available in the annexes listed below, which can be found on [Climatelinks](#).


- Agriculture
- Disaster Readiness
- Economic Growth (excluding Agriculture, Infrastructure, and Environment)
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### 6.2 Describe How Climate Risks Are Addressed in Activity Design

Next, select from [column 6.1](#) the options that you will include in activity design and implementation. Record how climate risks are addressed in [column 6.2](#) of the [Output Matrix](#) (pg. 12). Note in the Output Matrix the relevant page number of the solicitation. Some criteria to consider are:

- *Effectiveness.* To what extent will the options reduce the climate risk(s) to the activity, or increase the ability to cope with the potential impacts?
- *Affordability.* How much will it cost upfront? How much will it cost to operate and maintain the investment? Will there be non-monetary resource demands, e.g., requirements for ongoing support by trained professionals?
- *Feasibility.* Are there barriers to implementation? For example, is there political or stakeholder opposition to the options? Conversely, are there factors that will facilitate implementation of the options? Is there sufficient institutional and human capacity to support implementation?
- *Flexibility.* How effective will the options be in the face of uncertain future conditions, including climate conditions, environmental conditions, socioeconomic conditions, political conditions, etc.? Will a change of course be possible if new information warrants it? Note: options that will be successful under a variety of scenarios and “no regrets”  approaches are particularly important in cases of high uncertainty.
- *Co-benefits.* Will the options support other development objectives?
- *Tradeoffs.* Are the downsides and the potential for unintended consequences relatively minor?


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## 7. IDENTIFY NEXT STEPS

For each task or intervention, identify next steps for addressing climate risks and opportunities during activity implementation. **Document these next steps in [column 7 of the Output Matrix](#) (pg. 12).** This is the set of actions to be taken *after* you have finished designing the activity. Next steps may include further analysis to be conducted prior to activity implementation or incorporation of risk management options that are too detailed to include in the activity.

## 8. ACCEPT CLIMATE RISKS

In some cases, the benefits of USAID activities outweigh the potential negative consequences of climate risks. Or, the cost of all available measures to reduce a climate risk may exceed the expected benefit of the activity. In those cases, you may accept the climate risk(s). **Document the accepted climate risk(s) and explain why you accepted the risk(s) in [column 8 of the Output Matrix](#) (pg. 12).** [See examples.](#) 

Note, every moderate or high risk needs to either be addressed in activity design (Step 6.2), have next steps identified (Step 7), or be accepted (Step 8).












***Congratulations!** You have completed this tool.*

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**ACTIVITY CRM TOOL OUTPUT MATRIX: CLIMATE RISKS, OPPORTUNITIES, AND ACTIONS**

An [excel version of the Output Matrix](#) can be used to record your results.

1.1: Defined or Anticipated Tasks or Interventions*	1.2: Time-frame	1.3: Geography	2: Climate Risks*	3: Adaptive Capacity	4: Climate Risk Rating*	5: Opportunities*	6.1: Climate Risk Management Options	6.2: How Climate Risks are Addressed in the Activity*	7: Next Steps for Activity Implementation	8: Accepted Climate Risks*
<p><i>[List defined or anticipated tasks or interventions]</i></p> <p>Example: Support local water utility sustainability.</p> 	<p><i>[List time-frame]</i></p> <p>Example: 0-30 years</p> 	<p><i>[List geog. scope]</i></p> <p>Example: Coastal, medium-sized towns.</p> 	<p><i>[Enter description of climate risks]</i></p> <p>Example: Lack of raw water to extend water to new customers due to shifting precipitation patterns. Storm surge may damage utility infrastructure in coastal areas.</p> 	<p><i>[Enter description of Information Capacity, Social and Institutional Capacity, Human Capacity, and Financial Capacity]</i></p> <p>Example: Existing water supply infrastructure in poor condition. Utilities have moderate access to financing.</p> 	<p><i>[Enter rating for each risk: High, Moderate, or Low]</i></p> <p>Example: High</p> 	<p><i>[Enter description]</i></p> <p>Example: Consider building to withstand a 500-year flood.</p> 	<p><i>[Enter management options for each climate risk]</i></p> <p>Example: Support utility efforts to put in place infiltration wells in catchment areas. Work with utilities to survey infrastructure to fully assess risk in target districts.</p> 	<p><i>[Enter selected management options for each climate risk, if relevant]</i></p> <p>Example: Work with utilities to survey infrastructure to fully assess climate risk in target districts.</p> 	<p><i>[Enter next steps for addressing risks in activity implementation, if relevant]</i></p> <p>Example: Incorporate climate change assessment into activity solicitation (Solicitation, p. X).</p> 	<p><i>[Enter if the risk is accepted and why, if relevant. This is required if 6.2 and 7 do not address this climate risk]</i></p> <p>Example: None.</p> 
<p><a href="#">Next step: Timeframe</a></p>	<p><a href="#">Next: Geog.</a></p>	<p><a href="#">Next: Climate Risks</a></p>	<p>Next step: <a href="#">Adaptive Capacity</a></p>	<p>Next step: <a href="#">Risk Rating</a></p>	<p>Next step: <a href="#">Opps.</a></p>	<p>Next step: <a href="#">Risk Mgmt. Options</a></p>	<p>Next step: <a href="#">Selected Options</a></p>	<p>Next step: <a href="#">Next Steps</a></p>	<p>Next step: <a href="#">Accepted Risks</a></p>	<p>Finished!</p>

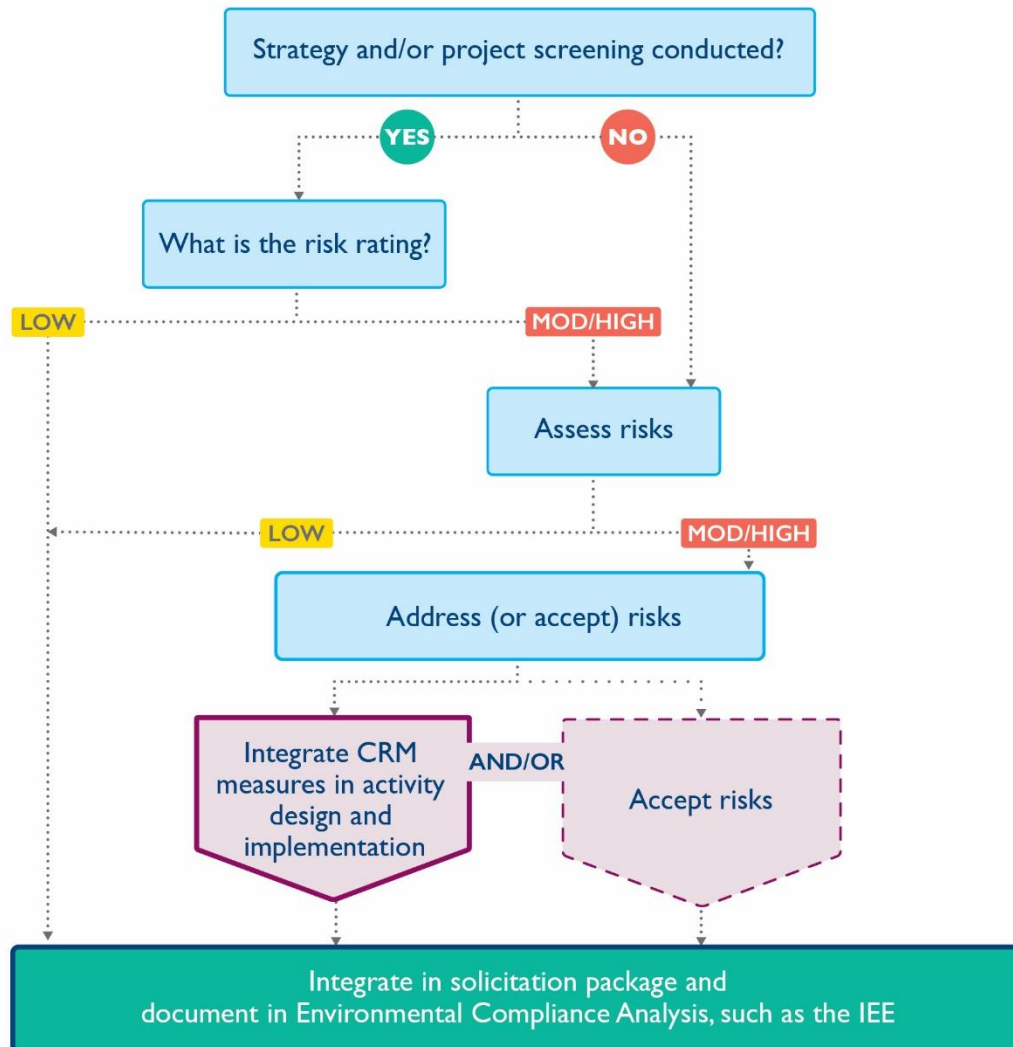
\* = A required element, according to the Mandatory Reference

Note, every moderate or high risk needs to either be addressed in activity design (6.2), have next steps identified (7), or be accepted (8). These columns are not required for low risks.

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## CLIMATE RISK SCREENING AND MANAGEMENT IN ACTIVITY DESIGN



This diagram summarizes the process of climate risk screening and management for activity design as described in the [Mandatory Reference](#). Activity planners and support staff should begin the process by drawing on prior strategy- and project-level climate risk screening and management results (e.g., documented in an R/CDCS or PAD), if available. The next step is to assess climate risks at a level of detail sufficient to develop approaches to adequately address moderate and high climate risks. The subsequent steps involve identifying climate risk management options; identifying next steps; accepting climate risks, if necessary; and documenting the results.