

**Statement of Asia Deputy Assistant Administrator for the Indo-Pacific,
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Senate Foreign Relations Subcommittee on East Asia, the Pacific, and International
Cybersecurity
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“Combating Climate Change in East Asia and the Pacific”
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Chairman Markey, Ranking Member Romney, Distinguished Members of this Committee: Thank you for the opportunity to testify about the important role that the U.S. Agency for International Development (USAID) plays in addressing the climate crisis in Indo-Pacific. It is an honor to be here with you today. USAID works closely with the Office of the Special Presidential Envoy for Climate, the Office of Global Change in the Bureau of Oceans and International Environmental and Scientific Affairs, and the Bureau of East Asian and Pacific Affairs at the Department of State to tackle the climate change challenge in the Indo-Pacific region. USAID is grateful for the ongoing collaboration with the Senate Foreign Relations Committee as we continue to align our efforts on climate change with the scope and complexity of the challenge.

The world faces a profound climate crisis. This is a global, existential crisis and we can no longer delay action or do the bare minimum to address climate change. It threatens lives, health, economic progress and livelihoods. Climate change threatens development progress and exacerbates global inequities; increases water and food insecurity, natural hazards, the need for humanitarian assistance, and displacement; worsens the quality of the air we breathe as well as health outcomes, and contributes to conflict. The climate crisis fosters instability and threatens to undo the progress we’ve made and the taxpayer dollars we’ve invested in global development, prosperity, and security.

BIDEN-HARRIS ADMINISTRATION PRIORITY

The Biden-Harris Administration is elevating climate as a core priority for U.S. foreign policy and national security. The United States is moving forward with an integrated, whole-of-government approach to climate change that includes strengthened bilateral and multilateral partnerships to address this challenge at home and abroad. We will work with other countries and partners to put the world on a sustainable climate pathway.

The United States must work closely with partner countries to support their efforts to ambitiously reduce emissions, while ensuring that there is a “just transition” that also prioritizes the sustainable growth of the least developed countries. This will require large-scale private and public investments to transform economies, including the reshaping of energy, food, and transport systems. It requires creating incentives to reward stewardship and spur restoration and the conservation of ecosystems, forests, and other carbon-rich landscapes. It also requires addressing climate injustices and historical inequities by empowering local communities and

groups, including women and Indigenous Peoples, to be change agents on climate and the environment. USAID leads international cooperation in these efforts. For example, within the quadrilateral partnership between the United States, India, Japan, and Australia (the QUAD), USAID leads the adaptation and resilience pillar of the group's climate efforts. We have already reached agreement on critical areas of collaboration like urban resilience, climate-smart food, agriculture, and the Coalition for Disaster Resilient Infrastructure (CDRI).

While climate change is an existential threat for the Pacific Islands on the very frontlines of its impacts, addressing climate change is a major strategic imperative for the United States. As the United States is a Pacific nation, USAID's climate change investments in the Indo-Pacific have a direct impact here at home. Particularly as the world fights the ongoing COVID-19 pandemic, a global green economy offers a massive investment opportunity for U.S. businesses; new markets for American science and technology; new jobs in cutting-edge sectors; and a cleaner, safer world.

As requested by President Biden, USAID is developing a new Agency-wide climate strategy that aims to be bold, ambitious, and transformative as it guides our efforts to address this crucial challenge. As this strategy takes shape, USAID looks forward to continuing to engage with our stakeholders, including Congress, to identify priorities and recommendations. We also welcome this committee's bill on restoring much needed U.S. leadership on climate change and clean energy.

USAID INDO-PACIFIC CLIMATE EFFORTS

Across the Indo-Pacific, USAID is well-positioned to support the Administration's bold climate agenda and assist our partner countries to implement the Paris Agreement. USAID partners with countries to help them: prepare for and adapt to climate disasters; improve sustainable water, forests, and land management; reduce emissions; increase food and water security and transition to clean energy. USAID also works with the private sector and international donors to help our partner countries leverage additional resources for climate change investment and identify sustainable alternatives to the People's Republic of China (PRC) non-transparent development model.

Adaptation and Disaster Response and Risk Reduction

The Pacific Island countries are among the most vulnerable to extreme weather events and other climate impacts, including increasing frequency and intensity of droughts and storms, rises in the sea level, and ocean acidification. Some countries are no more than 15 feet above sea level. Working with our partner governments, other donors, and the private sector, USAID continues to build the resilience of Pacific Island communities so they can prepare for, respond to, and recover quickly from these challenges. This is done by strengthening early warning systems for climate hazards including access to real-time data, helping to take early action, and strengthening the capacity of institutions, communities, and governments to proactively address risk to reduce exposure and vulnerability to natural hazards. For example, in the Federated States of Micronesia (FSM), USAID has responded to three major disasters since 2008, providing more than \$78 million to help meet immediate needs, including of remote island communities, and to build back better.

In March of this year, USAID announced it will award up to \$9.2 million, pending the availability of resources from Congress, to support the CDRI, led by India, to help foster disaster and climate resilient infrastructure. Physical infrastructure, such as roads, airports, and power grids is integral to any country's development, resilience, and ability to reduce the risk of disasters and respond to them. USAID will support CDRI to develop and share innovations, policy recommendations, and best practices in developing disaster and climate resilient infrastructure. USAID will also help countries incorporate best practices into their infrastructure planning, as well as foster partnerships between governments and the private sector to scale up disaster and climate resilient infrastructure development. USAID is proud to support CDRI, which is currently comprised of the governments of Afghanistan, Argentina, Australia, Bhutan, Chile, Fiji, France, Germany, India, Italy, Jamaica, Japan, Maldives, Mauritius, Mongolia, Nepal, Netherlands, Peru, Sri Lanka, Turkey, United Kingdom, and the United States; multilateral organizations including the European Union, United Nations, the World Bank, and the Asian Development Bank; and two private sector associations representing more than 400 companies.

USAID partners with the U.S. National Aeronautics and Space Administration (NASA) to strengthen the capacity of Mekong countries such as Cambodia, Laos, Thailand, and Vietnam to better predict and respond to climate change effects. We help address information gaps for our partners to improve drought and flood forecasting, and to use customized data, decision-tools, and best practice guides. For example, SERVIR-Mekong has recently been effective in pioneering digital rain gauges to predict rainfall in rural areas, estimate levels of dangerous short-lived climate pollutants that exist in air pollution, and forecast changes in river height and flooding. As climate-related disasters become more frequent and intense, these kinds of data and support from SERVIR-Mekong decision-makers can apply science and technology to manage environmental resources and improve disaster resilience and response.

Leveraging Investment

To achieve our climate ambitions, the United States will need to mobilize financing from many sources. USAID is focused on our comparative advantage: field presence and ability to partner with the key stakeholders. This includes large corporations, whose commitments to achieve net zero greenhouse gas emissions have doubled in the past year, government ministries, and local communities most impacted by the effects of climate change.

This approach has allowed USAID to mobilize more than \$28 billion in climate finance since FY 2016 worldwide. We have done this through facilitating billions of international commercial finance through structuring renewable energy auctions, and supporting local small and medium enterprises through programs like Green Invest Asia, a blended finance mechanism that allows small and medium enterprises to operate climate-smart agriculture and forestry businesses.

USAID boosts the capacity of government counterparts and other stakeholders to access larger amounts of financing from international adaptation funds, as well as strengthen the skills and systems within each country to better manage and monitor adaptation projects. Under the Biden-Harris Administration, we look to expand and accelerate these efforts in the Indo-Pacific.

For example, since 2016, USAID has helped Pacific Island countries mobilize nearly \$200 million from various international climate finance funds. USAID has also helped our partners identify and prepare bankable project proposals, valued at nearly \$30 million, that have been submitted as final applications to leading international climate finance entities, including the Global Environment Facility, the Green Climate Fund, and the Adaptation Fund. USAID continues to support the preparation of additional proposals that will target access to more than \$390 million in international adaptation funds for programs in the Pacific Islands.

Sustainable Water, Forest, and Land Management

Too much and too little water all too often bedevil countries impacted by climate change. USAID partners with countries to deliver climate-resilient drinking water and sanitation services, and improve the management of water resources so that people and economies can better cope with sea-level rise and rising water scarcity. USAID also works to protect our oceans—and the billions of people who depend on them for food and livelihoods—by mitigating climate impacts and addressing other critical threats, like ocean plastic pollution and illegal, unreported, and unregulated (IUU) fishing.

For example, the Mekong River Basin is a vital biodiversity area and the source of livelihood and nutrition for an estimated 70 million people. The PRC and other actors are increasing infrastructure investments in the region. However, without sound environmental and social safeguards, many infrastructure projects are developed at the expense of the surrounding environment and communities. The USAID Mekong Safeguards activity provides policy makers, government regulators, major financiers, and contractors with the information and tools they need to apply environmental, social, and governance standards for infrastructure development in the Lower Mekong region. This activity helps Lower Mekong countries build locally-developed solutions, improve transparency in infrastructure decision-making, and accelerate the role of the private sector as a driver of development. The Mekong Infrastructure Tracker is a prime example of a resource developed for tracking and monitoring of energy, transportation, and water infrastructure projects and the social, economic, and ecological changes they bring to the Indo-Pacific region.

USAID assistance in the Indo-Pacific results in greater public spending on water, sanitation, and hygiene (WASH) for the poor. For example, more than 80 percent of Indonesia's 265 million people still struggle to access piped water. With USAID support, the Government of Indonesia increased public spending in 2020 for WASH services targeting the poorest Indonesians. As a result, WASH services reached three-fourths of the poorest 40 percent of the population, compared to just one-fifth a year earlier.

In addition to access to clean water services to improve health outcomes, the health of our oceans is also critical. Pollution reduction, especially from mismanaged plastic waste, as well as proper resource management, will be necessary to ensure food security and economic prosperity for the Indo-Pacific communities reliant on the region's seas for their livelihoods. USAID will utilize the newly expanded Ocean Plastics directive to initiate the Save our Seas Blended Finance Platform, which will include a mix of technical assistance programs in key countries and private sector and donor partnerships to leverage greater funding. The ambitious goal of the new initiative is to reduce the flow of plastic into the oceans by 50 percent by 2030. It will

demonstrate U.S. leadership by: (1) taking immediate action where it's most needed to maximize impact; (2) addressing key gaps to unlock existing and future large-scale funds, and (3) harnessing global partners for much needed action. USAID's new ocean plastics programs will target coastal urban populations in key Indo-Pacific countries that are major contributors to the world's mismanaged plastic waste, as well as those, such as small island developing states, that face unique waste management challenges for which good solutions do not yet exist. This work will build on the successes of USAID's Clean Cities, Blue Ocean program, which is already working to combat ocean plastic pollution in key countries, including Indonesia, Vietnam, the Philippines, and Sri Lanka.

USAID works with our partner countries across the Indo-Pacific to reduce emissions by combating deforestation and improving conservation and management of carbon-rich forests, landscapes and seascapes. USAID partners with the private sector to increase market access for carbon credits, climate-smart agriculture, and sustainable forest products; and enhances finance opportunities for sustainable land management. For example, in Vietnam USAID develops local solutions with partner governments, communities, and the private sector to reduce greenhouse gas emissions and air pollutants, which in turn improves public health, reduces poverty and inequality, and lessens climate change impacts.

Indonesia remains one of the top greenhouse gas emitters from land use in the world. Unsustainable land management practices also lead to loss of biodiversity and unsustainable economic growth. Since 2015, USAID has strengthened Indonesia's ability to achieve its sustainable land management goals. As a result, we have helped reduce CO₂e¹ emissions by over 76 million metric tons since 2015, or 16.4 million cars driven for an entire year².

In Papua New Guinea, USAID is supporting a new program to improve forest governance, increase the sustainability of the forest industry, and protect the land and resource rights of communities to reduce emissions, enhance carbon sequestration and increase sustainable natural resources management. Papua New Guinea is home to part of the world's third largest expanse of tropical forest, the majority of which is community-owned. However, it experiences high rates of deforestation and forest degradation, due to unsustainable and illegal logging. This new program will allow USAID to prioritize work in a country with high climate mitigation potential.

USAID is helping the Government of Vietnam expand a program that mobilizes millions of dollars for forest and watershed protection through payments-for forest-environmental-services by local businesses and utilities that benefit from these services. This work builds on years of cooperation – USAID initiated this program with Vietnam's government in 2007. The program now mobilizes \$127 million in Vietnamese domestic revenue annually for forest protection and is expanding to cover 6 million hectares of forest.

USAID has launched two new projects worth \$74 million to help Vietnam mitigate the impacts of climate change. These new projects launched this year on Earth Day will help conserve a forest area nearly the size of Delaware and Rhode Island combined. Healthier, fuller forests, coupled with strong biodiversity, are critical to reducing greenhouse gas emissions.

¹ <https://www.epa.gov/moves/how-do-i-get-carbon-dioxide-equivalent-co2e-results-nonroad-equipment>

² The standard measures/equivalents are: 17.6M US tons / 3.4M cars AND 83.77 US tons / 16.4M cars

USAID, in partnership with the Government of India, is improving the rehabilitation and management of more than 1 million hectares of India's forests to increase carbon sequestration, enhance water yields from forests, and strengthen the livelihoods of forest-dependent communities in three states, refining techniques that India will scale nationwide. USAID/India's new program, Trees Outside Forests in India, will incentivize more tree cover on private lands at scales from household to commercial.

Improving Air Quality

To improve air quality and reduce climate pollutants, USAID launched Clean Air Catalyst, a new flagship program to combat air pollution, alongside a global consortium of organizations led by the World Resources Institute and the Environmental Defense Fund. Through this program, USAID and our partners, including Columbia University, work with local communities in the region to better understand local pollution sources and identify, test, accelerate, and scale solutions for cleaner, healthier air. This scalable program will make the air cleaner and healthier, and it will also reduce emissions of short-lived climate pollutants like black carbon and methane, which must be reduced in order to meet the Paris Agreement targets.

The Building Healthy Cities (BHC) project is working in Indore, India to increase community participation in air pollution mitigation. In partnership with local stakeholders, BHC installed 20 low-cost air quality sensors across Indore to collect quantitative data, and trained and continues to support 20 local Clean Air Guides (CAGs), who work within their communities to raise awareness and develop solutions for the air quality issues they face.

USAID helped India launch a national program for retrofitting commercial buildings to enhance energy efficiency and improve air quality, and in doing so opened up tremendous business opportunities for U.S. companies in a country whose air conditioner market is growing at 15 percent a year. For example, USAID's support prompted India's lead implementer of energy efficient programs to solicit a \$10 million contract—ultimately awarded to the United States-based Carrier Global Corporation—to install and maintain filtration systems and monitors in existing air conditioning systems in buildings in and around New Delhi.

The Mekong Air Quality Explorer Tool was launched last year in collaboration with USAID, NASA, the Royal Thai Government's Pollution Control Department and the Geo-Informatics and Space Technology Development Agency. The tool uses satellite data and computer models to provide an accurate air pollution forecast up to three days ahead of time. This allows the Royal Thai Government to fill data gaps and see air quality projections across the country, not just in urban centers like Bangkok.

As part of their ongoing efforts to combat pollution, USAID-Vietnam launched the Collective Action for Clean Air in 2019, with the goal of mobilizing and connecting its current network with more than 50 additional local actors and by providing more than 500,000 citizens, including more than 100 youth groups, schools and universities, access to information and educational materials to improve air pollution awareness and action.

Green Energy and Sustainable Infrastructure

Energy demand in Asia is expected to increase dramatically in the next decade. Without a concerted effort to promote a low-emissions power system, the region will continue to rely heavily on conventional energy sources such as coal and large-scale hydropower. USAID assistance helps increase access to more affordable, reliable, and sustainable energy that spurs economic growth, powers health systems, and reduces emissions.

The Infrastructure Transaction and Assistance Network (ITAN) is a whole-of-government initiative to advance sustainable, transparent, high-quality infrastructure across the Indo-Pacific region. Under ITAN, USAID plays a leading role helping its Indo-Pacific partners to catalyze private sector investment—including from the United States—by strengthening their ability to implement and manage sustainable, transparent, and high-quality infrastructure projects.

USAID leverages private sector investment and expertise across the Indo-Pacific to help our partner countries deploy renewable energy and transition to greater energy efficiency. To that end, USAID's Clean Power Asia program has helped mobilize more than \$7 billion in renewable energy investments across Southeast Asia since 2016. The program has helped Thailand's B. Grimm Power and Vietnam solar developer TTVN to close a \$283 million deal to construct one of Vietnam's first solar farms designed to generate 257 MegaWatts (MW)—enough energy to power more than 50,000 homes. In Thailand, USAID Clean Power Asia worked with six Thai Union factories to procure and install 7.6 MW of rooftop solar projects valued at more than \$10 million. USAID Clean Power Asia also helped retail giant Big C Thailand close a \$4.8 million deal to launch a 3.6 MW solar rooftop program.

In India, USAID programs help support the country's transition to renewable energy. To meet rising energy demand and decarbonization goals, India is aggressively pursuing large-scale integration of energy from variable renewable sources, which poses challenges to power grid stability. USAID efforts helped inform the Government of India's roadmap for deploying renewable energy solutions and technologies. Specifically, USAID programs have helped India integrate 5 GW of renewable energy into the power grid, which reduced 30 million tons of greenhouse gas emissions in 2020, and is enough energy to power 3.3 million households.

In Indonesia, USAID helps the country diversify and expand its energy market to deliver electricity to more Indonesian households and create investment opportunities for the private sector, including U.S. companies. USAID has introduced tools to improve national and provincial energy and electrification planning, advanced grid modernization to absorb more renewable energy, introduced innovative smart-grid solutions for remote islands, improved energy efficiency practices, and supported the development of electric vehicles. Since 2011, USAID has mobilized \$1.78 billion in renewable energy investment, representing an additional 667 MW of new energy supply, enough to reach 5.7 million Indonesians.

In Vietnam, USAID has supported the Government of Vietnam to design a strategic plan to guide the country on energy generation and transmission to meet energy needs as Vietnam moves away from a coal-based power system to a cleaner system based on renewable energy and

natural gas. USAID assistance provided the software, hardware, training, and a data-sharing process to facilitate first time involvement of multiple stakeholders to create a power plan that has also been transparently shared with the public. USAID also worked with government regulators, banks, investors, and private sector developers to facilitate solar investments totaling more than \$300 million.

In recent years, Vietnam's solar energy production has grown exponentially—from less than 10 MW in 2017 to 16,500 MW in 2020, with solar power now making up nearly 25 percent of the country's power capacity. USAID activities will continue to support Vietnam to improve government energy planning practices, increase competition and private sector involvement in energy service provision, deploy advanced, clean energy systems, and improve grid planning to incorporate clean energy transmission. USAID will also focus on helping Vietnam attract qualified investors for advanced energy projects and advise private firms on developing high quality, bankable projects. By continuing to work with the Government of Vietnam and the private sector, USAID will help accelerate Vietnam's transition to a clean, secure, and market-driven energy system.

Achieving global net-zero emissions will require rapid phase-out of international support for coal power plants, but currently the PRC and Chinese firms are estimated to be pursuing 24,270 MW of new coal projects in emerging markets around the world. It is important to understand the underlying drivers that make PRC-financed coal appear attractive, and to identify more appealing and sustainable alternatives. This is especially relevant in the Indo-Pacific. USAID partners with countries to ensure they have the tools necessary to pursue least-cost generation options, which in most cases is renewable energy (RE). This includes structuring RE auctions that help to drive down the cost of wind and solar, and working with countries to overcome real or perceived barriers to integrating variable renewable energy sources into their grid. USAID helps our partner countries to understand how to conduct open, competitive tenders, as well as to evaluate proposals to identify those from predatory lenders or which do not fit into the countries' power sector plans.

CONCLUSION

To close, USAID is accelerating the scale of our climate change and environmental efforts to meet the urgency of this great challenge. We will engage with our partner countries, international donors, and the private sector to build local capacity and identify innovative approaches—from green technologies, sustainable practices, and access to finance—and apply them to solutions on the ground. USAID's climate investments abroad have a direct impact here at home. Climate change presents an immense challenge. One that we can and will meet. USAID is a global leader in promoting climate adaptation and mitigation solutions, and will continue to support the Biden-Harris Administration's bold climate agenda. We are eager to work with Congress, our partner countries, and the private sector to achieve bold climate action across the countries and sectors in which we work.

Thank you, and I welcome the opportunity to answer your questions.

