



The Global Climate Change Initiative (GCCCI): Budget Authority and Request, FY2010 - FY2018

On September 22, 2010, President Obama signed the Presidential Policy Directive on Global Development. The directive called for the elevation of foreign development assistance as a national priority and outlined an integrated approach to development, diplomacy, and national security. The Global Climate Change Initiative (GCCCI) was one of the three main pillars of the 2010 directive. It aimed to integrate climate change considerations into relevant foreign assistance through a range of bilateral, multilateral, and private sector mechanisms to promote sustainable and resilient societies, foster low-carbon economic growth, and reduce greenhouse gas emissions from deforestation and land degradation. The GCCCI was divided into three main programmatic initiatives or categories: (1) adaptation, (2) clean energy, and (3) sustainable landscapes.

Adaptation programs have aimed to assist low-income countries with reducing their vulnerability to climate change impacts and building climate resilience. Bilateral and regional programs at the Department of State and the U.S. Agency for International Development (USAID) have targeted vulnerable countries in Africa, Asia, and Latin America. They have striven to (1) address climate risks in areas including infrastructure, agriculture, health, and water services; (2) develop capacity for countries to use the best science and analysis for decisionmaking; and (3) promote sound governance to carry out these decisions. Multilateral funds supporting adaptation initiatives have included the Green Climate Fund, the Least Developed Country Fund, and the Special Climate Change Fund.

Clean energy programs have aimed to reduce greenhouse gas emissions from energy generation and energy use by accelerating the deployment of clean energy technologies, policies, and practices. The United States has delivered much of its assistance for clean energy deployment through multilateral trust funds. These funds are commonly associated with international financial institutions (e.g., the World Bank). The funds have taken advantage of existing large-scale greenhouse gas reduction opportunities and have established investment channels for larger private sector financing. Multilateral funds supporting clean energy initiatives have included the Green Climate Fund and the Global Environment Facility. Bilateral efforts at the State Department and USAID have sought to complement the multilateral investments by influencing development policy and regulatory environments in the recipient countries.

Sustainable landscape programs have aimed to reduce greenhouse gas emissions from deforestation and forest degradation. Bilateral and regional programs at the State Department and USAID have supported country-driven policies for several activities, including (1) forest

governance, (2) forest cover and land use change monitoring systems, (3) law-based resource management and land tenure, and (4) on-the-ground efforts to halt deforestation and foster sustainable forest-based livelihoods. Multilateral funds supporting sustainable landscape initiatives have included the Green Climate Fund and the Global Environment Facility.

Budget Authority

The GCCCI has been funded through programs at the State Department, the Department of the Treasury, and USAID. Funds for these programs have been requested in the President's budget under the International Affairs Function 150 account for State, Foreign Operations, and Related Programs. Many GCCCI activities have been funded at agency sub-account levels, with allocations left to the discretion of the agencies, under congressional consultation.

GCCCI budget authority has fluctuated between \$810 million and \$950 million since FY2010. When FY2016 is fully reported, it may be higher due to State Department contributions to the Green Climate Fund. During the period, the GCCCI has accounted for about 2% of total programming in the Function 150 account. Federal reports of U.S. funding for international climate change initiatives are not always consistent, as some have included contributions by federal agencies outside of the strictly defined GCCCI (e.g., the Millennium Challenge Corporation, the Export-Import Bank, and the Overseas Private Investment Corporation).

FY2017 Budget Request (Obama)

The Obama Administration's FY2017 budget request for the GCCCI was \$1,334.3 million, including \$352.2 million for USAID; \$631.7 million for the State Department (including \$500.0 million for the Green Climate Fund, \$13.0 million for the U.N. Framework Convention on Climate Change and the Intergovernmental Panel on Climate Change, and \$32.5 million for the Montreal Protocol Multilateral Fund); and \$350.4 million for the Treasury Department (including \$250.0 million for the Green Climate Fund and \$87.9 million for climate-related programming at the Global Environment Facility).

FY2018 Budget Request (Trump)

The Trump Administration's FY2018 Budget Blueprint, released on March 16, 2017, indicated that the administration would pursue policies such as these: "Eliminates the Global Climate Change Initiative and fulfills the President's pledge to cease payments to the United Nations' (UN) climate change programs by eliminating U.S. funding related to the Green Climate Fund and its two precursor Climate Investment Funds."

Table I. GCCI Budget Authority, FY2010-FY2017
(Nominal US\$ in thousands; N/A indicates “not available”)

Agency	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Estimate	FY2017 Request
State/USAID	507,200	522,900	481,500	461,000	478,000	478,000	N/A	983,900
Development Assistance	280,032	368,400	322,500	308,000	N/A	N/A	N/A	310,300
Economic Support Fund	183,168	119,000	122,000	118,000	N/A	N/A	N/A ^a	628,100 ^b
International Organizations and Programs	44,000	35,500	37,000	35,000	N/A	N/A	N/A	45,500
Treasury	438,000	295,900	376,400	380,169	356,405	346,375	331,258	350,438
Debt Restructuring	26,000	16,400	12,000	11,392	0	0	0	0
Risk Insurance Program	0	0	0	0	0	0	0	12,500
Clean Technology Fund	300,000	184,600	229,600	196,183	209,630	201,237	170,680	0
Global Environment Facility	37,000	44,900	59,900	62,420	71,875	81,938	100,958	87,938
Green Climate Fund	0	0	0	0	0	0	0	250,000
Strategic Climate Fund	75,000	50,000	74,900	110,174	74,900	63,200	59,620	0
Total	945,200	818,800	857,900	841,169	834,405	824,375	N/A	1,334,338

Source: CRS, with data from U.S. Department of State, *Congressional Budget Justification, Volume 2, Foreign Operations*, FY2010-FY2017; U.S. Department of the Treasury, *The Budget in Brief*, FY2010-FY2017; and correspondence with State and the Treasury.

- a. The Obama Administration made two contributions to the Green Climate Fund using FY2016 budget authority from the Economic Support Fund. Those contributions were for \$500 million on March 8, 2016 and \$500 million on January 17, 2017.
- b. The FY2017 request for the Economic Support Fund included \$500 million for the Green Climate Fund.

Issues for Congress

Congress undertakes several activities in regard to the GCCI, including (1) authorizing federal agency programs and multilateral fund contributions, (2) appropriating funds for those authorizations, (3) providing direction and guidance to the agencies, and (4) overseeing U.S. interests in the programs. Stakeholders have defined a number of concerns and considerations for Congress as it debates potential authorizations and/or appropriations for the GCCI. Some concerns and considerations include:

Fiscal Concerns. Budget policy may lead to questions about sustaining existing levels of support for international development assistance in general and international climate change assistance in particular.

Potential for Misuse. Some observers have criticized national and international institutions that dispense financial assistance for bureaucratic inefficiencies, lack of transparency, and misuse of funds.

Uncertain Results. Some analysts question the overall effectiveness of international financial assistance in spurring economic development and reform in lower-income countries and, more specifically, in mitigating climate change and its risks.

Uncertainties in Climate Science. Prevailing scientific research on the current and future impacts of greenhouse gas emissions on the global climate exhibits varying degrees of analytical uncertainty. Some policymakers have offered this uncertainty as reason to withhold assistance.

Commercial Interests. Some stakeholders maintain that international climate change assistance can benefit U.S. businesses, as support for low-emission economic growth may increase trade, commerce, and economic activity in the global marketplace for U.S. goods and services.

Investment Efficiencies. Some economists theorize that the future costs of responding to tomorrow’s climate-related catastrophes could be significantly higher than the costs of preventing them today. Further, they suggest that economic efficiencies can be found more readily in developing countries because the cost of adopting new technologies is often less than the cost of retrofitting existing ones.

National Security. Some analysts promote international climate change assistance as a way to address and mitigate risks to national security. They see this assistance as one method through which lower-income countries may combat poverty, social tensions, environmental degradation, and weak political institutions for the benefit of both the country and the security interests of the United States.

International Leadership. Some observers see international climate change assistance as a means through which to increase U.S. global leadership. Through such leadership, they argue, the United States may influence and set important international economic and environmental policies, practices, and standards.

Richard K. Lattanzio, Specialist in Environmental Policy

IF10397

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.