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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

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March 13, 2012

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Dodaro:

In response to international climate change negotiations and international efforts to decrease greenhouse gas emissions, the United States government has devoted substantial funding to international programs for the purpose of assisting developing nations to address climate change. Specifically, under the auspices of the United Nations Framework Convention on Climate Change's 2010 Copenhagen Accord and subsequent agreements reached in Cancun (2010) and Durban (2011), the U.S. and other developed nations have committed to provide \$30 billion in "Fast Start" climate finance to developing nations by the end of 2012. Discussions are underway to further increase this funding to \$100 billion by 2020. The magnitude of current and planned spending raises important questions about the effectiveness and monitoring of this funding. It is imperative to prioritize funding and ensure that projects yield measurable advancements to U.S. national security and development objectives, especially at a time of constrained resources at home and ongoing threats overseas.

Several U.S. agencies are involved in fast start finance that is distributed through numerous mechanisms. According to the U.S. Agency for International Development (USAID), the U.S. spent \$2 billion in fast start finance in 2010 and \$3.1 billion in 2011. This funding has been distributed through bilateral, multi-lateral, and private mechanisms with participation principally involving USAID. Additional investment has come from the Department of State, Millennium Challenge Corporation, the Overseas Private Investment Corporation, the World Bank, the Global Environment Facility, and the Export-Import Bank. The funding is distributed in three targeted areas including 1) clean energy for low-carbon development, 2) sustainable landscapes, and 3) adaptation to assist vulnerable populations to adapt to impacts of climate change on natural resources, infrastructure, agriculture, and public health.

Given the importance that the U.S. government has placed on its climate change policy and the level of funding requested to carry out the initiative throughout the developing world via these multiple agencies, I request that GAO conduct a review that addresses the following key issues:

1. What are the goals, strategies, and activities these agencies intend to implement to achieve the U.S. commitments for fast start climate finance?
2. How do these goals, including those encompassed in USAID's recently-released Global Climate Change Strategy, align with U.S. foreign policy and national security goals for the countries receiving these climate change dollars?
(http://www.usaid.gov/our_work/policy_planning_and_learning/documents/GCCS.pdf)

3. What dollar amounts and types of U.S. assistance have been provided through fiscal year 2012 as part of its fast start climate financing programs?
4. How will these investments be measured, and how will each demonstrate impacts and tangible results on climate change? What is the definition of success for projects within each investment pillar – clean energy, sustainable landscapes, and adaptation?
5. How do the projects being funded in each pillar – clean energy, sustainable landscapes, and adaptation – align with efforts of bilateral donors, host government priorities, and strategies of international financial institutions and private foundations? Is there coordination or duplication in these programs? If so, where, and why?

I ask that GAO staff provide periodic briefings throughout the review and that GAO be prepared to testify before the Committee on the results of its analysis in the event that a hearing is scheduled on the topic.

Thank you in advance for your prompt attention to this request. If you have any questions, please contact Lori Rowley (telephone 202-224-2201). I look forward to working with you on this important issue.

Sincerely,

A handwritten signature in black ink, reading "Richard G. Lugar". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Richard G. Lugar
Ranking Member