Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity

Federal Environmental Symposium October 30, 2019

> Daniel Kreeger Executive Director Association of Climate Change Officers <u>dkreeger@ClimateOfficers.org</u>

Learn. Collaborate. Advance.





Agenda

- Key terms and definitions
- Preparing for a vulnerability assessment
 - Establishing scope
 - Reviewing climate data
- Conducting a vulnerability assessment
- Assessing Workforce Capacity to Engage in Climate Preparedness
- Building Organization-wide Climate Literacy & Competency



Federal Environmental Symposium



Learning Objectives

- Clarifying relevant terminology
- Understanding the importance of doing cross-sector, cross-discipline and whole community analysis
- Understanding the basics of risk analysis framework and risk management approaches (i.e. defining criticality, prioritizing vulnerabilities), and incorporating climate change into risk analysis activities, strategies and portfolios
- Learning how historical data on climate hazards and community indicators are accessed and used (including socioeconomic and health data)
- Evaluating gaps in data and vulnerability knowledge
- Learning about vulnerability assessments and natural catastrophe modeling, and the resources necessary to undertake vulnerability assessment work
- Grasping timeframes and frequency of different climate hazards, aligning these with decision making processes, and effectively communicating about these issues



Federal Environmental Symposium





DEFINITIONS & CONCEPTS

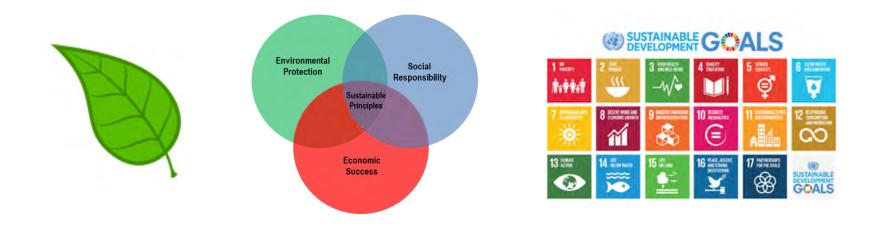


Federal Environmental Symposium



Sustainability

Meeting the needs of the present without compromising the ability of future generations to meet their own needs





Federal Environmental Symposium



Vulnerability Assessment

A process to identify key assets and services that are or may become compromised by climate-related hazards

A proactive way to:

- Consider a full range of climate scenarios and system responses,
- Incorporate climate variability and uncertainties,
- Prioritize critical assets and services at risk from these threats, and
- Inform response strategies

Burks-Copes et al., in review



Federal Environmental Symposium



Climate-Related Hazards

The events or occurrences that have the potential to cause harm to people, assets, services, or ecosystems





Federal Environmental Symposium



A Hazard



NOAA



Federal Environmental Symposium



Climate Hazards Lead to Impacts & Implications

& Implications

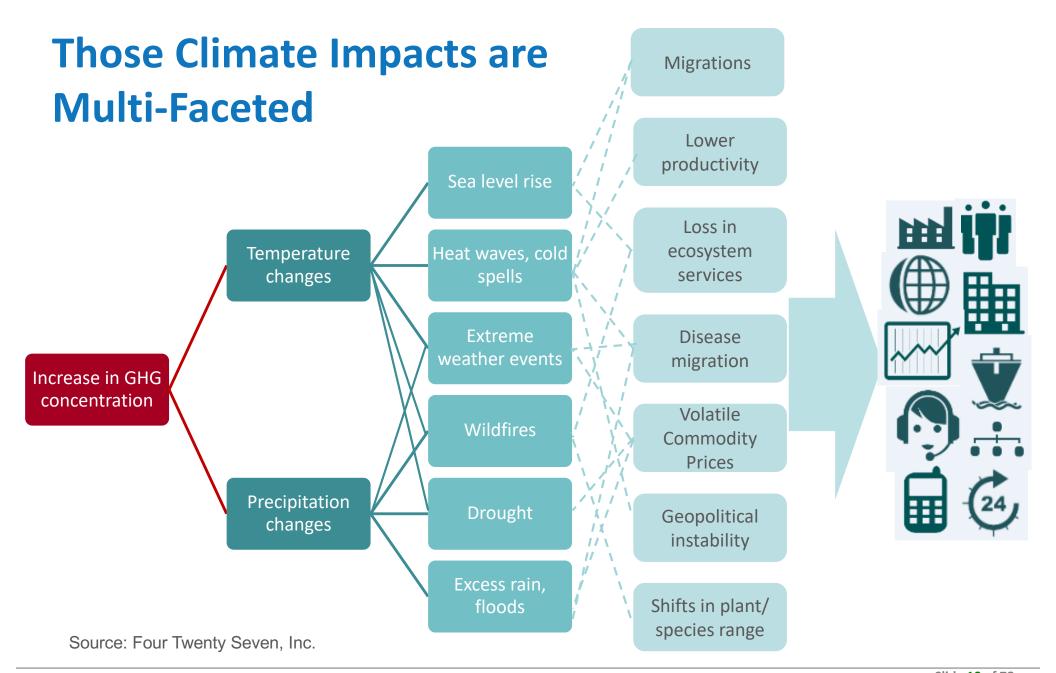
mpacts

Higher Air Temperatures Drought Loss of snowpack Melting ice sheets Ocean acidification Melting permafrost Land subsidence Sea level rise Ocean warming Flooding Increased storm surges More frequent & extreme events Public health impacts Supply disruptions Failed infrastructure Crop failures **Regulatory response** Stakeholder activism Legal liability & tort litigation Reduction of insurance coverage or increase in cost Property value degraded Species loss Natural resource shortages Mass immigration & refugees Security destabilization



Federal Environmental Symposium







Federal Environmental Symposium



Impacts Lead to Policy

Physical impacts

Economic, natural & social impacts

Policy interventions

- Heat
- Storms
- Fire
- Floods
- Sea level rise
- Acidification
- Crops shifting
- Pest migration

- Cost increases
- Lower productivity
- Disease & other health impacts
- Habitat loss
- Species loss
- Human migration
- Food insecurity

- Emission controls
- Energy mandates
- Fuel standards
- Water restrictions
- Reporting/disclosure
- Species protection
- Adaptation planning



Federal Environmental Symposium



AND ... Policy Leads to Other Implications

Policy

Economic & social response

Altered conditions

- Emission controls
- Energy mandates
- Fuel standards
- Water restrictions
- Disclosure
- Species protections
- Adaptation planning

- Rising operating costs
- New products & business models
- Different food sources
- Data dependence
- Stakeholder demands
- Winners & losers

- Changing markets
- License to operate
- Living standards
- Population patterns
- Types of collaborations



Federal Environmental Symposium





The **built, natural, and human networks** that provide important **goods and services** within a community or region



Built: facilities, buildings and transportation infrastructure such as roads and bridges.

Human: public health clinics, courts, government, etc.



Natural: ecological networks, fish, wildlife and natural resources, e.g. water.





Federal Environmental Symposium



System Failure

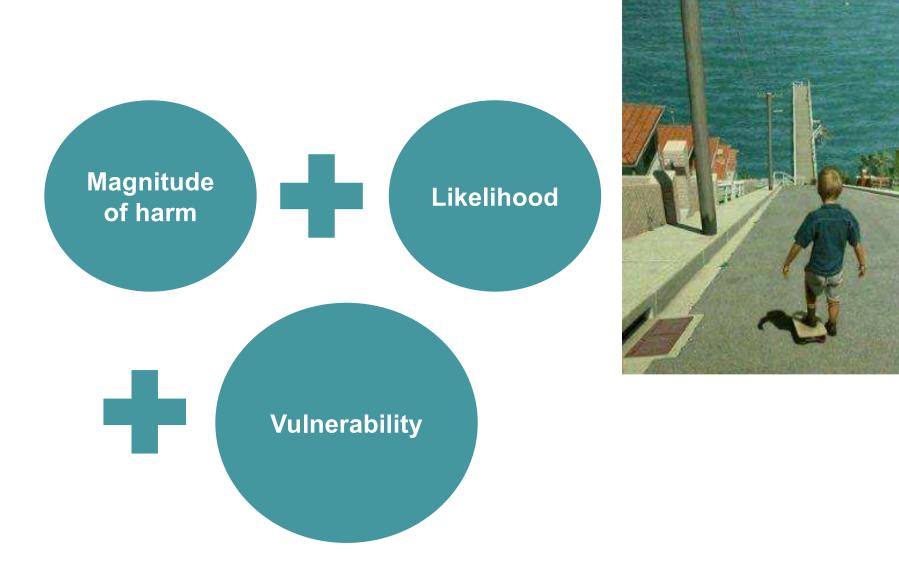




Federal Environmental Symposium



Risk



IPCC, 2007

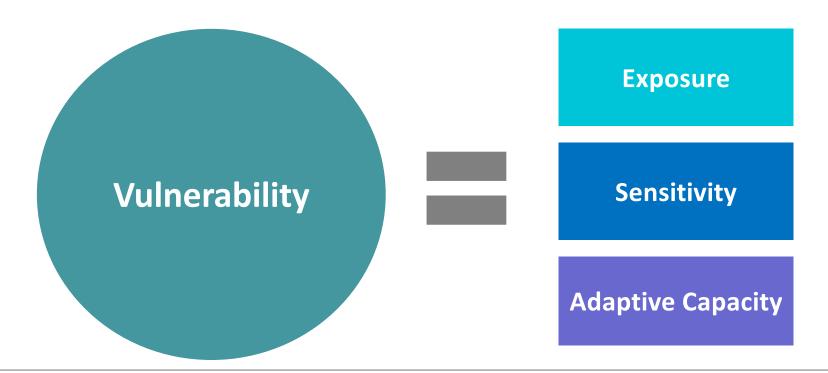


Federal Environmental Symposium



Vulnerability

The degree to which a system is susceptible to, or unable to cope with, the adverse effects of climate change over time, both variability and extremes



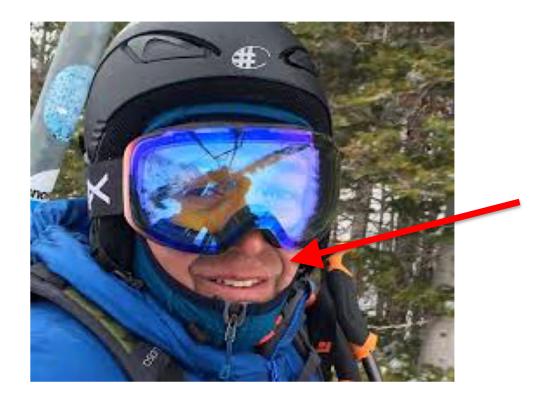


Federal Environmental Symposium



Exposure

The **nature and degree** to which a system's people, assets, and ecosystems are **subjected to** climate-related **hazards** where they could be adversely affected





Federal Environmental Symposium



Sensitivity (Fragility)

The degree to which a system, population, or resource is affected by climate impacts (including extreme weather) or changing climate conditions

+/- change in asset performance or service production because of climate-related hazards

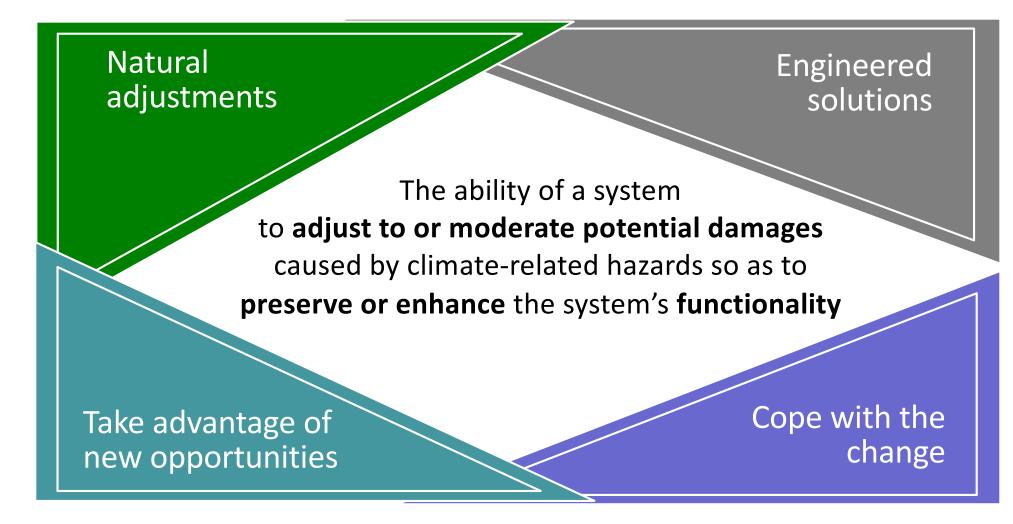




Federal Environmental Symposium



Adaptive Capacity



Burks-Copes et al., 2014



Federal Environmental Symposium



Adaptation

Adjustment in natural or human systems to a new or changing environment that exploits beneficial opportunities or moderates negative effects





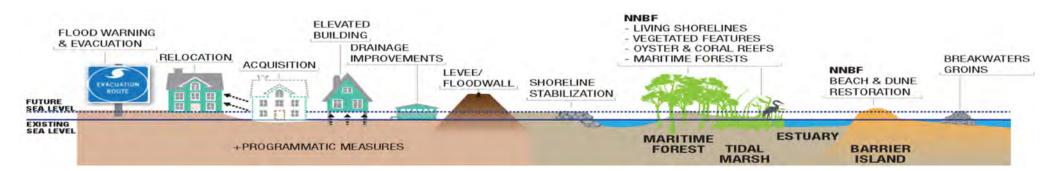
Federal Environmental Symposium



Resilience

A capability to **prepare** for, **withstand**, **recover**, and **adapt** to significant threats with minimum damage to social well-being, the economy, and the environment

Resilience often incorporates multiple lines of defense





Federal Environmental Symposium

Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019) ACCCO ASSOCIATION OF CLIMATE CHANGE OFFICERS

Slide 21 of 78

Exploring Vulnerability Assessment & Risk Management

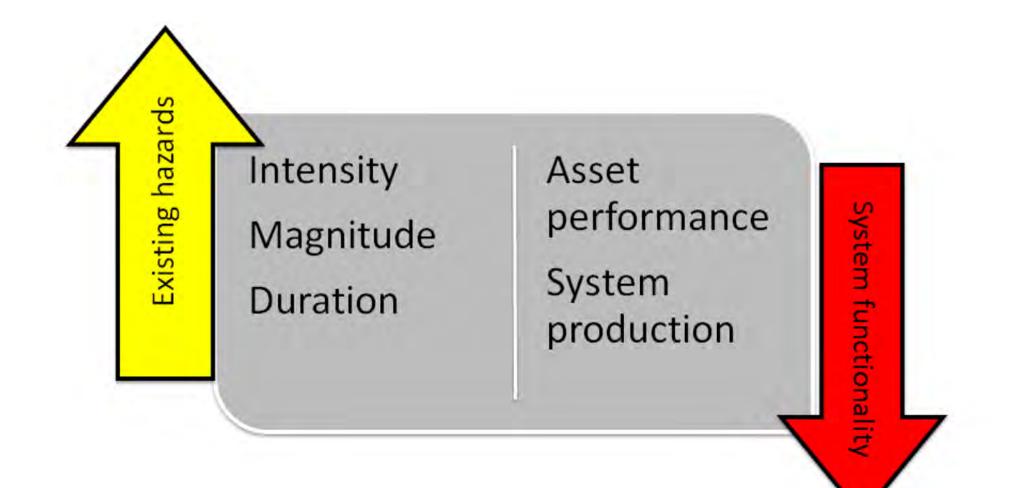




Federal Environmental Symposium



Climate Change is a Threat Multiplier





Federal Environmental Symposium



Basic Risk Management Concepts

Risk Avoidance

Easiest way to manage: avoid it altogether!

Although avoidance is a simple method to manage potential threats, the strategy also results in lost revenue or mission potential.

Risk Mitigation

Lessen the negative consequences or impact of specific, known risks

Most often used when business risks are unavoidable. Risk of capital waste can be reduced, but a degree of risk remains.

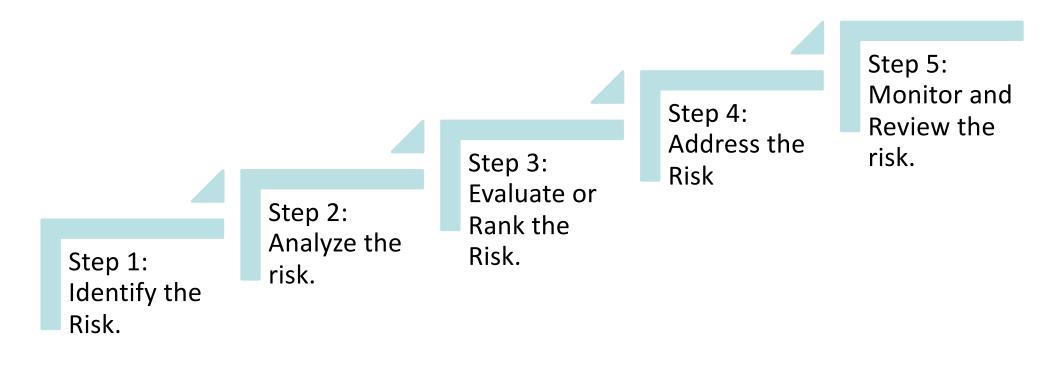
Tip to Remember: The Four T's ... **Risk Transfer** Terminate, Treat, **Risk Acceptance** Transfer & Tolerate Ignoring the risk, or accepting it Usually takes place by paying without mitigation or transfer actions. a premium to an insurer Agencies may incur a certain level of risk Federal agencies generally play the insurer when anticipated benefits are perceived to of last resort, but often pay private sector be greater than the potential risks. insurers to administer (e.g. TRICARE, NFIP)



Federal Environmental Symposium



Risk Management Process

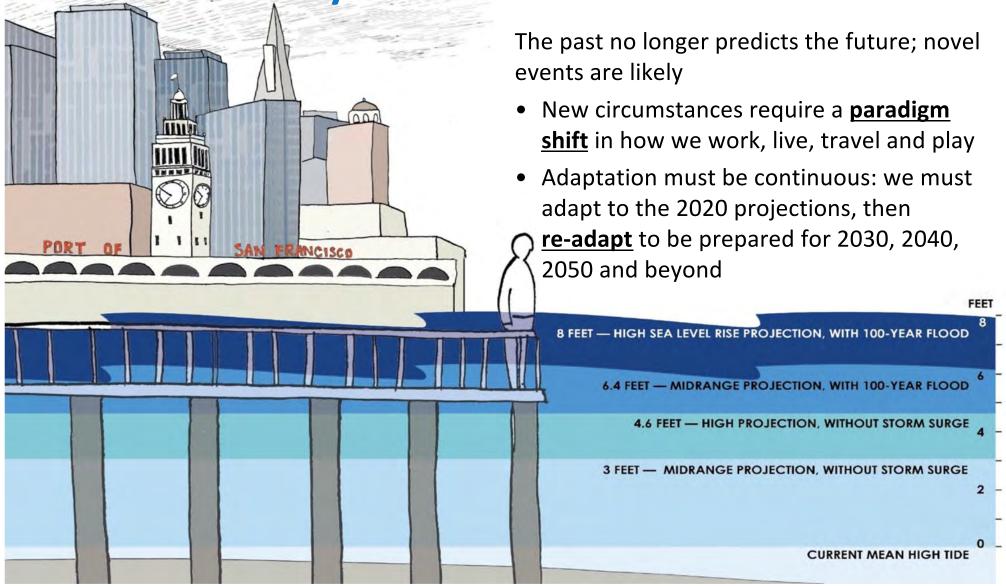




Federal Environmental Symposium



Non-Stationarity: The "New Normal"





Federal Environmental Symposium

Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019) Slide 26 of 78 ACCCO ASSOCIATION OF CLIMATE CHANGE OFFICERS

Risk Management Process





Federal Environmental Symposium



Preparing to Conduct a Vulnerability or Change Assessment

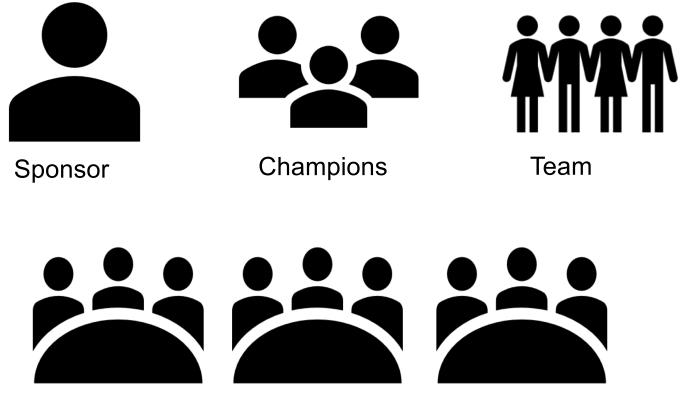




Federal Environmental Symposium



Recruit Participants



Stakeholders

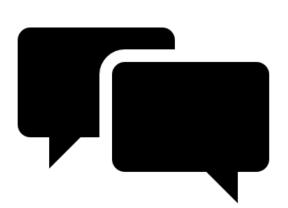


Federal Environmental Symposium



Gather Input

- Community and/or organizational values
- Key assets and services
- Known and potential climate hazards
- Experts
- Concerns







Federal Environmental Symposium



Evaluate Feasibility

- Are the potential climate impacts significant enough to garner support for climate planning and action?
 - Are stakeholders interested?
 - Are there opposing forces within the community?
- Consider logistical factors such as study/project/ community size, resource availability, and governing authorities



Federal Environmental Symposium



Clarify Purpose and Scope

- Define purpose and objectives
 - Who is the target audience?
 - What outputs are needed? How will they be used?
 - What level of detail is required?
 - What actions might result from the assessment?
- Choose timeframe(s) of interest: 2025? 2030?
- Leverage resources to identify exemplars
 - CakeX.org
 - Climate Resilience Toolkit
 - Cal-Adapt



Federal Environmental Symposium



Prioritize

- Select criteria to identify and rate "most critical" assets, services and dependencies
 - Reflect organizational values
 - Think outside traditional "boundaries" or "jurisdictions"
 - Enable comparison
- Use to prioritize which assets/services to assess
- Select metrics
 - Relevant to evaluating an asset or service's vulnerability
 - Accurate, available, actionable



Federal Environmental Symposium



What Scope Makes Sense for Your Assessment?

PURPOSE	TARGET AUDIENCE	INTENDED OUTCOMES	LIKELY SCOPE	TYPE OF CRITERIA FOR DETERMINING MOST CRITICAL ASSETS AND SERVICES



Federal Environmental Symposium



Who Should Participate?

STAKEHOLDER GROUPS	ROLE	INTERNAL/ EXTERNAL	ISSUES/ CONCERNS	NOTES



Federal Environmental Symposium

Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019) ACCCO ASSOCIATION OF CLIMATE CHANGE OFFICERS

Slide **35** of 78

Reviewing Climate Data



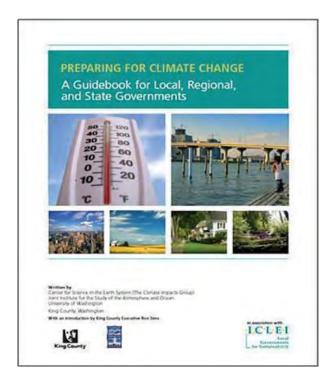


Federal Environmental Symposium



Assessing Your Intersection with Climate Change

- Do weather and climate represent a threat to assets you value?
- How could climate change affect your most critical assets and services?
- Will projected impacts pose a risk to your organization, business or community?
- What does this change mean for your organization or community? Risk?
 Opportunity? Both?



http://cses.washington.edu/db/pdf/snoveretalgb574.pdf



Federal Environmental Symposium



Assessing Vulnerability & Risk



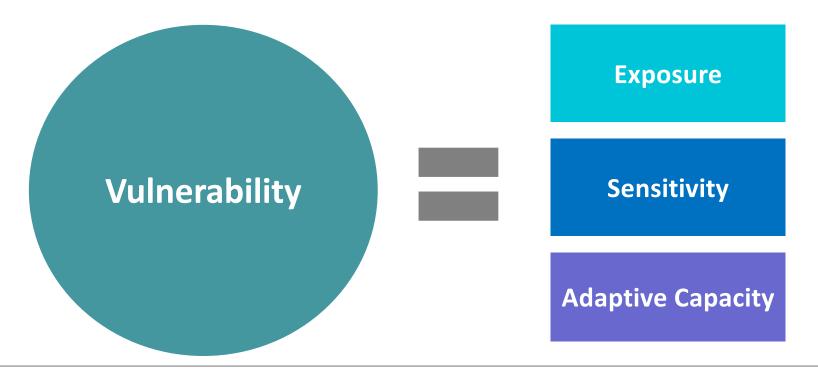


Federal Environmental Symposium



How Vulnerable are Your Most Critical Assets to Current or Future Climate-Related Hazards?

- Identify both climate and non-climate stressors
- Consider potential tipping points
- Evaluate elements of vulnerability





Federal Environmental Symposium



Measure Exposure to Climate Hazards

- Check local or regional projections for relevant hazard(s)
- Check if asset/service will be exposed in relevant timeframe
- Estimate the degree, magnitude, and frequency with which asset or service will be exposed to the hazard

- Now

In the future ("new normal")



Federal Environmental Symposium



Assessing Exposure Over Time

Is asset or system exposed to climate hazards? Yes: extreme exposure – no protection exists

Yes: moderate exposure – some protection exists, but not enough to completely avoid impacts

Yes: minor exposure – protection exists, but is insufficient to fully defend the asset

Exposure may be chronic (gradual sea level rise) or acute (hurricanes)

No: the asset is not exposed, and no impacts will occur



Federal Environmental Symposium



Measure <u>Sensitivity</u> to a Climate Hazard

- Estimate the changes to the asset's performance or production due to the climate-related hazard
 - Now
 - In the future
- Types of information that help gauge the degree of sensitivity
 - Specific design standards or criteria
 - Design elements in the surrounding geography or the larger facility



Federal Environmental Symposium



Assessing Sensitivity Over Time

Is asset or system sensitive to climate hazards?

Sensitivity is generally a **qualitative** evaluation, but structural evaluations & projections can help quantify Yes: complete failure of infrastructure, habitat or service provision

Yes: temporary operational failure of infrastructure, habitat or service provision

Yes: reduced capacity of infrastructure, habitat or service provision

No: no impact

Federal Environmental Symposium

Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019) ACCCO ASSOCIATION OF CLIMATE CHANGE OFFICERS

Slide 43 of 78

Measure Adaptive Capacity

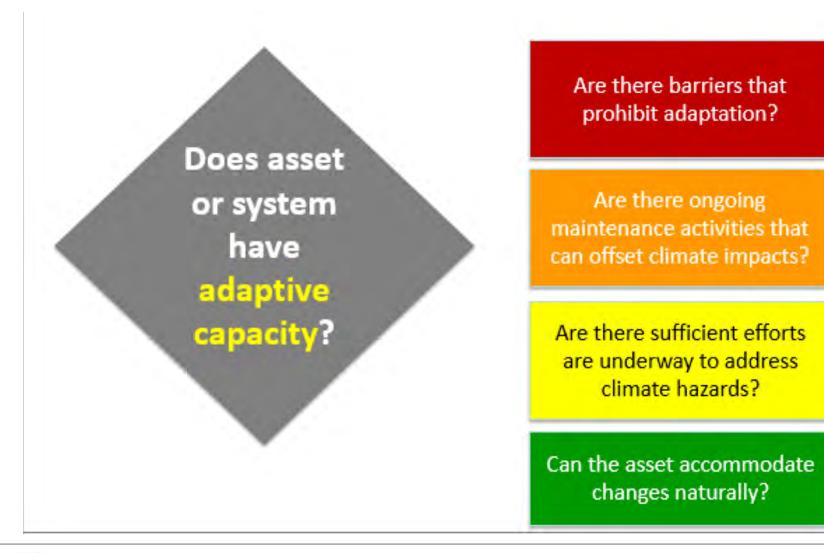
- Evaluate the asset's or system's ability to adjust to or moderate potential damages from the climate hazard
- Consider:
 - Can the asset/service already handle changes in climate?
 - Are there barriers to its ability to accommodate changes in climate?
 - Is the rate of projected climate change likely to be faster than adaptability?
 - Are efforts already underway to address impacts of climate change related to the asset/service?



Federal Environmental Symposium



Assessing Adaptive Capacity Over Time

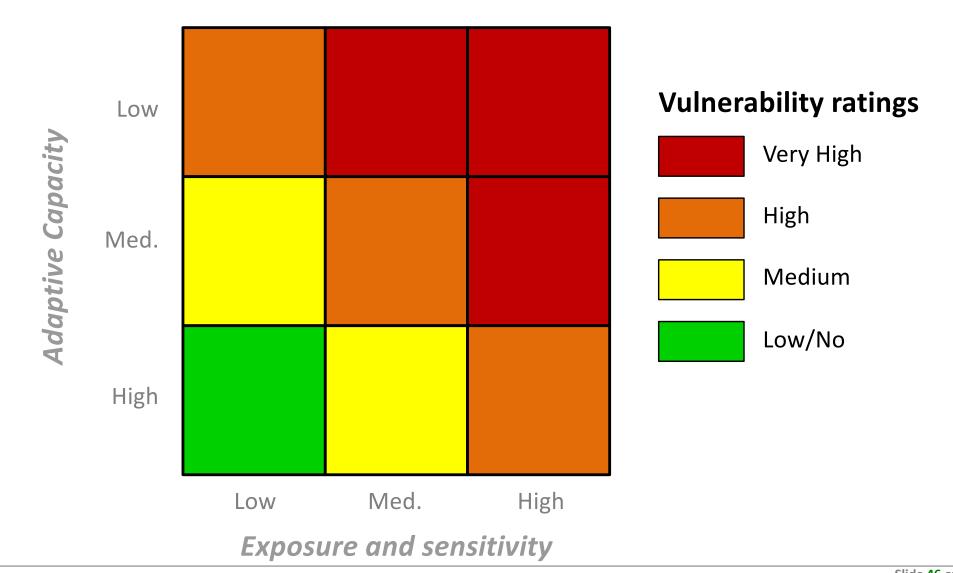




Federal Environmental Symposium



Grading Vulnerability





Federal Environmental Symposium



Generating a Report

- Introduction and executive summary
 - Background and context (mission, attributes, and current effects)
 - Purpose and scope, goals and objectives
- Methods
 - Climate-related hazards and future projections
 - Assessment protocol & description of tools utilized
 - Data sources
- Results
 - Description of potential vulnerabilities
 - Description of knowledge gaps
- Discussion & path forward



Federal Environmental Symposium





Understanding the Art & Science of Enterprise Risk Management



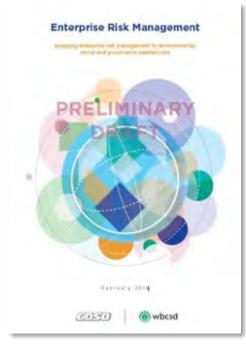


Federal Environmental Symposium



Incorporating Climate Risk into an Agency's Enterprise Risk Management is Crucial

- Establishes a common language for articulating risks
- Enhances agency resilience
- Allows for greater pursuit of mission related opportunities
- Improves resource deployment
- Achieves efficiencies of scale and leverages capability
- Improves disclosure and stakeholder engagement

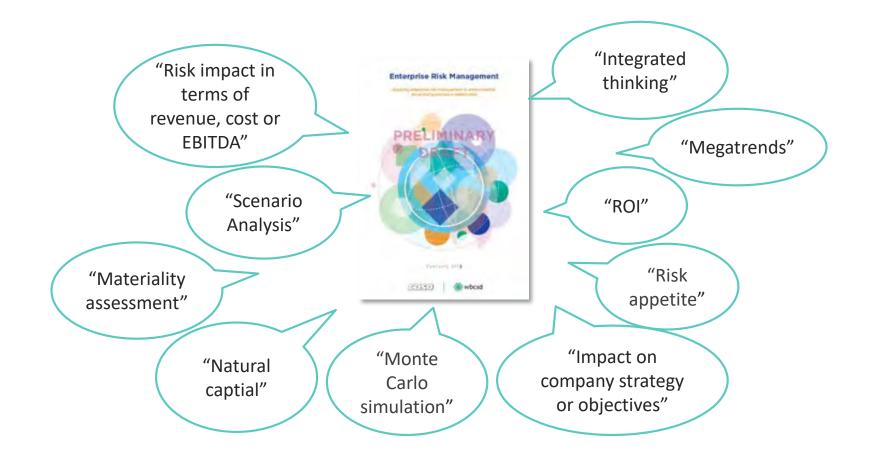




Federal Environmental Symposium



Provides a Common Language for Articulating Risks





Enhances Organizational Resilience

A organization's medium and long term viability and resilience will depend on the ability to anticipate and respond to risks that threaten its strategy, mission and/or business objectives.



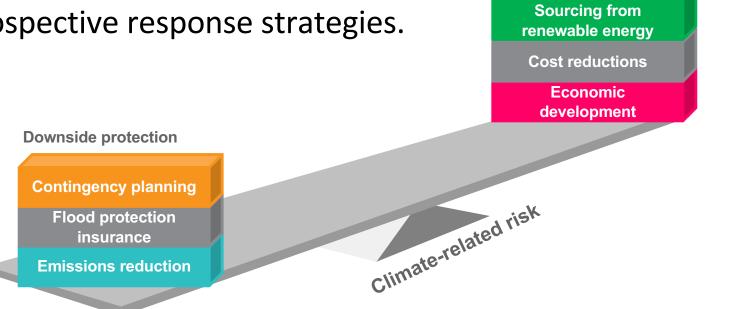


Federal Environmental Symposium



Allows for greater pursuit of opportunity

By considering both positive and negative aspects of climate-related risks, management can identify trends that lead to new mission related opportunities or cobenefits of prospective response strategies.





Federal Environmental Symposium

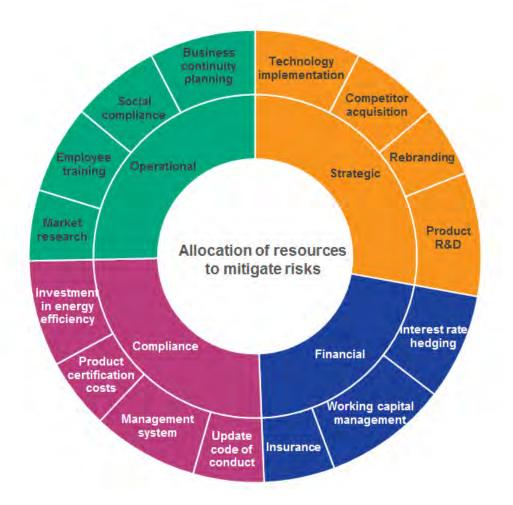
Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019)



Opportunities

Improves resource deployment

Obtaining robust information on climate risks allows management to assess overall resource needs and help optimize resource allocation





Federal Environmental Symposium



Achieve efficiencies of scale; leverage capabilities

- Managing the ERM process
- Maintaining the risk inventory
- Assessing risk severity
- Prioritizing risks for the entity
- Maintaining an overall risk scorecard for monitoring

- Megatrend analysis
- Materiality assessment
- Impact and dependency mapping
- Social and natural capital valuations
- Scenario planning for climate risk



Federal Environmental Symposium



Improves disclosure

Improving management's understanding of climate related risks can provide the transparency and disclosure investors, external stakeholders and the general public expect and provide consistency with jurisdictional reporting requirements.

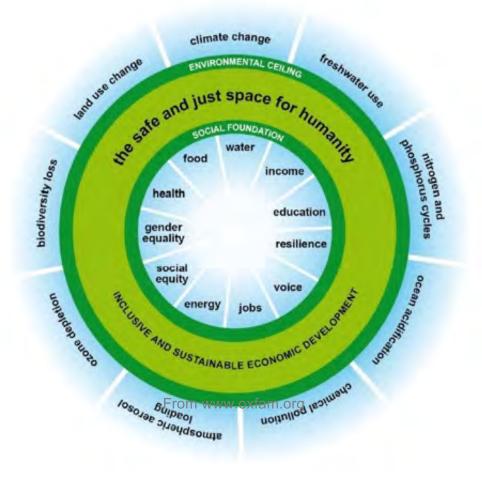




Federal Environmental Symposium



ERM requires a balance of "Art" and "Science"



Art

Understanding the risks and their likely impacts on the business requires an astute and often intuitive understanding of risk, strategy and human behavior.

Intuition

People acumen

Business acumen

Industry experience

"Gut feeling"



Federal Environmental Symposium

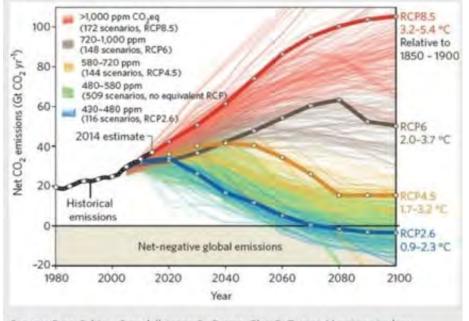




ERM requires a balance of "Art" and "Science"

Figure 7

CO₂ Emissions Pathways and Temperature Outcomes in IPCC AR5 RCP Scenarios



Source: Fuss, Sabine; Canadell, Josep G.; Peters, Glen P.; Tavoni, Massimo; Andrew, Robble M.; Ciais, Philippe et al., "Betting on negative emissions." Nature Climate Change 4 (10), September 2014, pp. 850–853.

Science

Formal tools and techniques are important in order to systematically identify, evaluate and monitor business risks and the impacts of any risk management strategies or initiatives.



Decision trees	
Monte Carlo	
Value at Risk (VaR)	
Stress testing	
Scenario analysis	
Forecasting	
Modeling uncertainty	
Risk quantification	

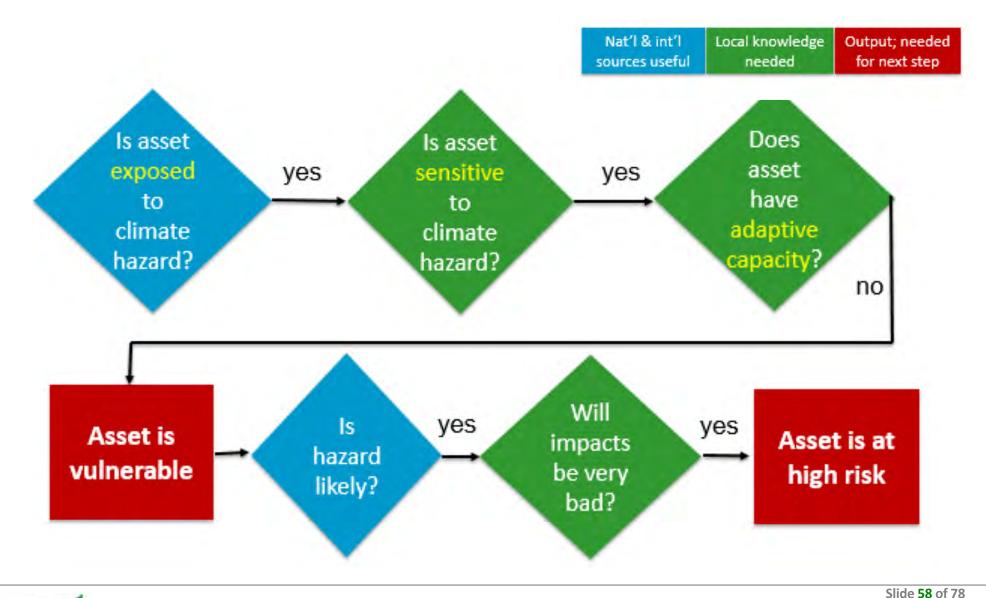
From www.fsb-tcfd.org



Federal Environmental Symposium



How Vulnerability Relates to Risk

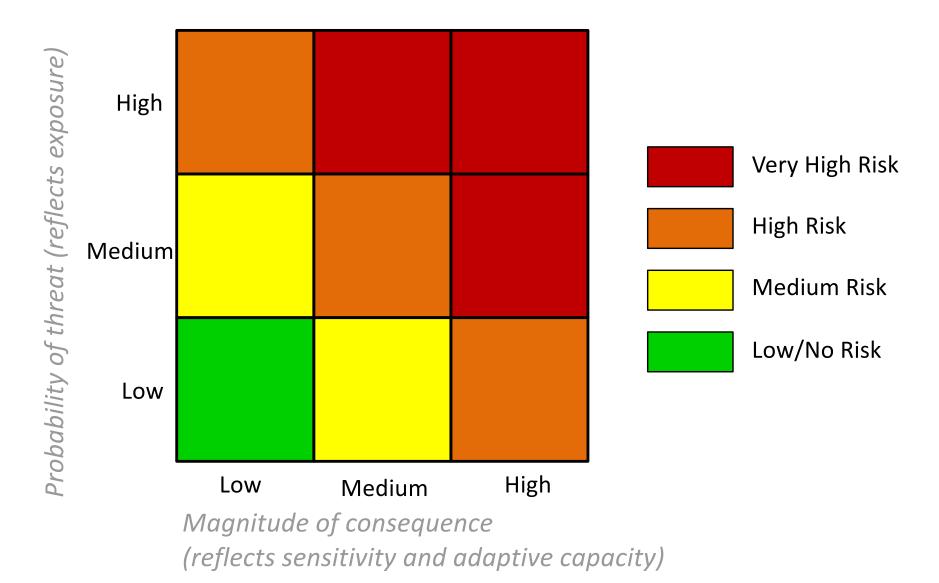




Federal Environmental Symposium

Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019) ACCCO ASSOCIATION OF CLIMATE CHANGE OFFICERS

Grading Risk





Federal Environmental Symposium



Federal Agency Workforce Capacity to Engage in Climate Preparedness





Federal Environmental Symposium



Research Conducted on Behalf of DHS IP CISA

Critical to ensure that critical infrastructure workforce and leadership is positioned to implement resilience and adaptive planning strategies

Project Goal: Assess the workforce capacity to effectively engage in preparedness in the nation's critical infrastructure sectors

Project Scope: All infrastructure operators and government bodies (at all levels) overseeing infrastructure

Timeline: Began in 2016, initial phase concluded in February 28, 2019

Report Abstract: Available upon request (<u>dkreeger@ClimateOfficers.org</u>)

Read about DHS' 16 critical infrastructure sectors at <u>https://www.dhs.gov/cisa/critical-infrastructure-sectors</u>



Federal Environmental Symposium

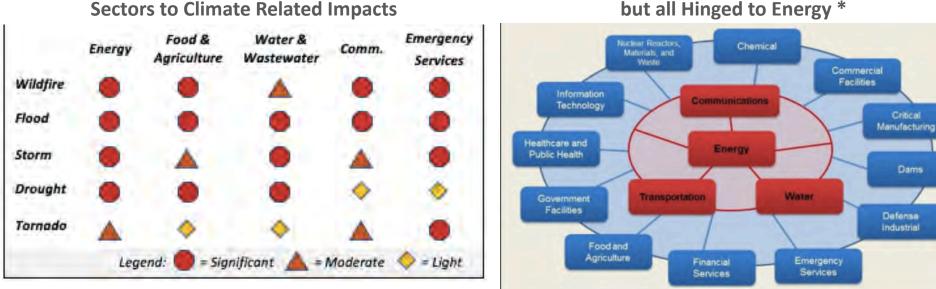


Overview of the 5 Sectors Selected

These sectors were chosen based on a number of factors:

- 1) their susceptibility to climate risks such as flooding, drought, and wildfire;
- 2) the need for these sectors to remain functional during and immediately after such disasters and extreme weather events;
- 3) the interconnected nature of these sectors

Degree of Exposure of Critical Infrastructure



* Energy Sector, DOE, DHS. 2015, https://www.dhs.gov/sites/default/files/publications/nipp-ssp-energy-2015-508.pdf



Federal Environmental Symposium

Conducting Vulnerability Assessments & Building Federal Agency Climate Change Preparedness Capacity (October 30, 2019)



Dams

Critical Infrastructure Sectors are Co-Dependent, but all Hinged to Energy *

Presidential Preparedness Directive (PPD-21)

Issued February 2013, established a framework for advancing a national unity of effort to strengthen and maintain secure, functioning, and resilient critical infrastructure



"Critical infrastructure must be secure and able to withstand and rapidly recover from all hazards. Achieving this will require integration with the national preparedness system across prevention, protection, mitigation, response, and recovery."

https://www.dhs.gov/sites/default/files/publications/PPD-21-Critical-Infrastructure-and-Resilience-508.pdf



Federal Environmental Symposium



Research Findings: Governance & Leadership Structure

- More than half of participants reported multiple people across a large number of division, departments or business units were responsible for some part of climate preparedness and resilience across their organization.
- Most reported no centralized leadership structure
 - Leadership generally shared across organizational departments or teams
- Virtually no recognizable dominant patterns of governance or leadership within Federal agencies or governments of any level



Federal Environmental Symposium



Research Findings: Nature of Job & Performance Expectations

- Employers are not making a distinction between the leaders of climate and resilience initiatives and those with support roles across the climate and resilience planning space.
- Participation in multi-stakeholder initiatives and continuing education
- Virtually no professional credentials related to resilience are currently required for climate preparedness outside of emergency management roles



Federal Environmental Symposium



Research Findings:

Training Requirements & Preferred Credentialing

- No distinction in training or credentialing of primary leaders and those involved supporting climate preparedness in organizations
- Small number of survey respondents reported requiring some aspect of continuing education, professional development or other training related activities



Federal Environmental Symposium



Research Findings: Formal Planning & Organizational Barriers

- Majority of respondents reported that their organizations had not developed or actively sustained a comprehensive adaptation, resilience, or climate preparedness plan
- Increasing number of organizations reported an initial effort to conduct climate vulnerability assessments and similar evaluations
- Most significant barriers noted include:
 - budgetary restrictions,
 - competing institutional priorities,
 - deficiency of technical skills, and
 - lack of standardization and established/accepted best practices.



Federal Environmental Symposium



Key Themes in the Project Findings

- Preparedness and resilience is resulting from reaction
- Evolving across agencies and sectors at wildly different paces and with very different practices
- Key challenges to deploying resiliency measures
 - Science literacy and preparedness competencies must be systemically advanced
 - Standardization and leveraging of data and risk



Federal Environmental Symposium



Research Findings:

Key Competencies Identified by Stakeholders

Technical Skills

- Finance / Disaster Finance
- Law, Insurance, and Liability
- Project and Logistical Management
- Public Policy and Participation
- Risk / Emergency Management
- Systems Thinking

Behavioral Skills

- Collaboration
- Communication and Facilitation
- Initiative & Motivation

ACCO's Takeaway

Despite an increased emphasis and focus on preparedness across regions and critical infrastructure sectors, ACCO found virtually no mandates from employers or credentialing bodies upon decision-makers and practitioners.

Though there is a general recognition that the current state of employer expectations and credentialing body standards needs to mature, there is no policy requirement or market signal that compels those behaviors.



Federal Environmental Symposium



ACCO's Initial Conclusion

Based upon the research conducted, ACCO proposed to DHS a focused effort to address the following three areas:

- Advancing workforce standardization and professional development resources
- 2. Support sectoral and regional collaboration
- 3. Enhancing accessible data, codes/standards and decision-support resources



Federal Environmental Symposium



Core Competencies for Climate Change Officers and Professionals

Strategic execution competencies:

Largely skills-based and include supporting organizational change, helping to mitigate risk, engaging stakeholders, being actively involved in policy efforts beyond the walls of the organization and maintaining other external partnerships.

Organizational knowledge and experience:

Strategic planning, decision-making, compliance, enterprise risk management, asset management, the management of value and supply chains, corporate communications and corporate social responsibility, and organizational governance.

Foundational knowledge and skills:

Science literacy, environmental literacy, knowledge of the policy landscape, and management acumen.



Federal Environmental Symposium



Roles to Consider across Agencies & Sectors

Each role/function can potentially require a unique set of competencies and knowledge:

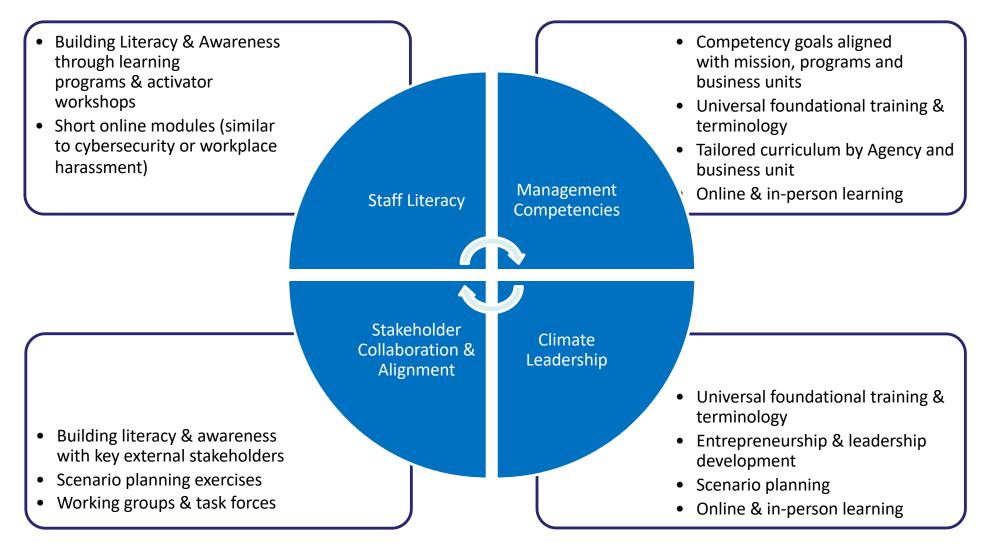
- \circ Siting
- Design & Engineering
- Planning
- Budget & Finance
- Project Management
- Executive Leadership
- Facilities Management
- IT & Communications
- Regulatory / Policymaking
- Risk & Continuity



Federal Environmental Symposium



Putting an Agency-Wide Climate Smart Workforce Capacity Plan Together: 4 Key Areas





Federal Environmental Symposium



Putting an Agency-Wide Climate Smart Workforce Capacity Plan Together: Who Needs to Know What?

Foundational Knowledge & Skills	Organizational Knowledge & Experience	Strategic Execution Competencies
Science Literacy	Strategic Planning	Enterprise Risk Mitigation
 Environmental and Economic Literacy 	Decision-MakingCompliance & Enterprise Risk	 Supporting Change Within the Organization
 Understanding of the Policy Landscape Management Acumen 	 Management Asset Management Value and Supply Chains Communications & Social Responsibility 	 Stakeholder Engagement Reaching Beyond the Organization
	Governance	

Related Literature:

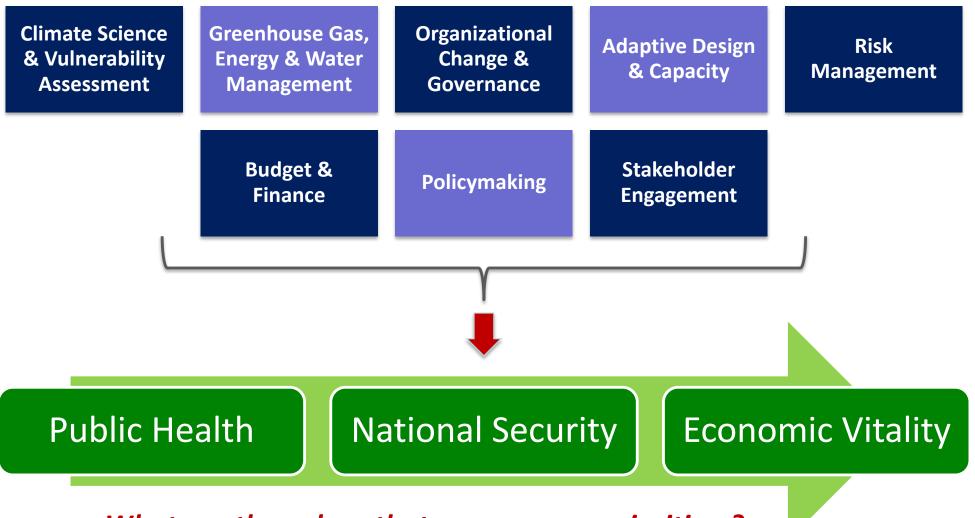
- Core Competencies for Climate Change Officers and Professionals
 <u>https://accoonline.org/core-competencies</u>
- Institutionalizing Climate Change into Decision-Making
 <u>https://accoonline.org/insights/2017/5/18/part-6-building-and-mobilizing-a-climate-smart-army</u>
- Advancing the Occupation and Growing the Supply of Climate Leaders <u>https://accoonline.org/insights/2017/4/3/part-4-advancing-the-occupation-and-growing-the-supply-of-climate-leaders</u>



Federal Environmental Symposium



Getting Climate into the DNA of Decision-Making



What are the values that your agency prioritizes?



Federal Environmental Symposium



Institutional Leadership & Capacity is being Reviewed

S&P Global Ratings

RatingsDirect[®]

Summary:

Charles County, Maryland; General Obligation

Primary Credit Analyst:

Nora G Wittstruck, New York (1) 212-438-8589; nora.wittstruck@spglobal.com

Secondary Contact: Krystal Tena, New York + 1 (212) 438-1628; krystal.tena@spglobal.com

Rationale

S&P Global Ratings assigned its 'AAA' long-term rating to Charles County, Md.'s \$58 million general obligation (GO) consolidated public improvement bonds of 2019. At the same time, we affirmed our 'AAA' long-term rating on the county's GO debt outstanding. The outlook is stable.

Very strong management

We believe the management team adheres to its policies and procedures in a meaningful way, including regularly monitoring its compliance with stated metrics.

We view the county's proactive and multipronged approach to climate change as indicative of the management team's overall long-term planning strategy. The county has identified ways to mitigate greenhouse gas emissions and improve the county's sustainability efforts, including eventually transitioning to powering county facilities with solar energy and working with the University of Maryland to create a resiliency plan to model the effects of sea-level rise on the location of county assets. The county is also partnering with the Maryland Climate Leadership Academy to credential local government officials; more than 20 county staff are enrolled.

WWW.STANDARDANDPOORS.COM/RATINGSDIRECT

OCTOBER 25, 2019 3



Federal Environmental Symposium



Final Thoughts

- Consider what your neighbors and peers are doing – unintended consequences abound
- Never waste a good crisis!
- Manage regrets
 - Budgets drive the train, so ask yourselves, "What level of regret are you willing to accept?"
 - Then make a choice and own it
- No answer is final under the new normal
- Human capital is the key!



Federal Environmental Symposium





Questions?

Daniel Kreeger Executive Director Association of Climate Change Officers dkreeger@ClimateOfficers.org 202-997-8673





Federal Environmental Symposium

