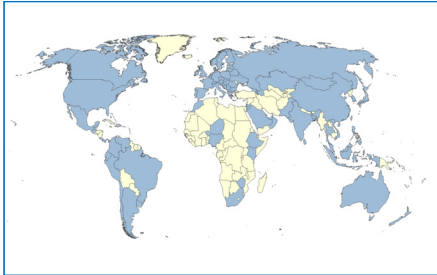




Integrating Physical Impacts of Climate Change into Climate Strategy



ICF International helps clients throughout the world assess and implement:

- Physical, business, ecological, and social risks associated with climate change
- Economic, technical, and policy analysis
- Climate change adaptation options
- Communications and workshop support
- GIS mapping and modeling
- Risk management strategies

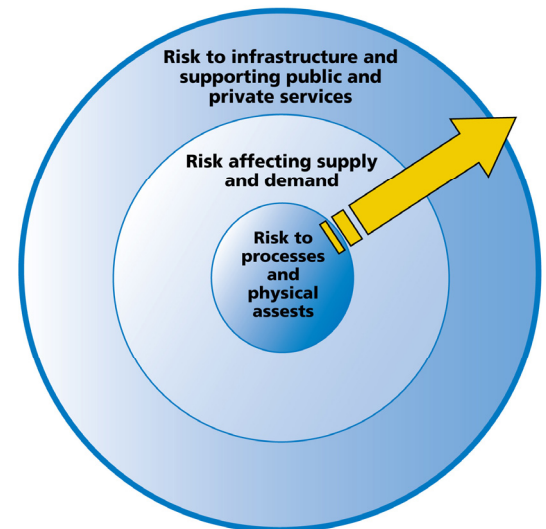
To date, most climate strategies have focused on (1) managing near-term costs and opportunities associated with current and expected policy constraints to reduce greenhouse gas emissions, (2) exploiting emerging market opportunities in low carbon products and services, and (3) meeting increasing external stakeholder requirements for disclosure on emissions and the corresponding financial risks. Over the longer term, there are potentially larger costs and opportunities associated with the physical impacts of climate change—such as warmer temperatures, more intense rainfall, sea level rise, changes in the availability of water and other climate-related resources—and these costs and opportunities drive the need to develop adaptive strategies. Companies, development banks, investors, and governments that require a comprehensive understanding of climate change risks should assess and manage the risks associated with these impacts.

Our Approach

Based on our work with several clients, ICF International has developed a systematic framework to assess risks associated with the physical impacts of climate change, and to manage these risks by prioritizing adaptation activities. This framework complements ICF's other tools and frameworks that address policy, market, and reputation risks and opportunities associated with climate change.

The framework involves four key steps:

1. Identify all key assets within the "risk disc"— impacts can be significant not only for a specific project or for the direct assets of the firm, but they can also have important effects on the supply chain or on critical government infrastructure
2. Apply a screening framework to classify climate risk into three categories:
 - Category 1: Potentially significant climate risks that need to be addressed in the near term
 - Category 2: Potential climate vulnerabilities that need to be monitored and reassessed over the long term
 - Category 3: Climate risks not significant—no further analysis required
3. Assess Category 1 risks in detail
4. Develop adaptive measures to manage significant risks



Featured Solutions

ICF International has more than 10 years of experience providing strategic advice and support for projects dealing with climate change impacts, vulnerability, and adaptation to public and private sector clients across the globe, including the U.S. Environmental Protection Agency (EPA), the California Energy Commission, African Development Bank (AfDB), U.K. Department for International Development (UK DFID), U.K. Environment Agency, U.S. Agency for International Development, and various commercial sector clients. ICF's impacts and adaptation expertise spans all sectors influenced by climate change, including agriculture, forestry, human health (including air quality, heat-related morbidity and mortality, vector-borne diseases, immune suppression, and red tides), coastal resources affected by sea level rise, recreation, sensitive ecosystems (both aquatic and terrestrial), and water resources. Example projects include:

Investment framework for the G8 Climate Change Initiative. ICF supported the UK DFID and AfDB in preparing an investment framework for the G8 Climate Change Initiative. ICF reviewed the Bank's approach to addressing climate change in its investments and proposed new actions or initiatives that will enable the Bank to improve its impact on climate change and provide related input to the investment framework. ICF provided a combination of data analysis and objective fact-based, strategic analysis to support decision-making, benchmarking, and change management support to the AfDB. ICF helped the bank identify the main climate risks and needs in Africa and develop specific financial instruments to foster adaptation initiatives.

Integration of physical risks of climate change into long-term climate strategy. ICF helped a European natural gas company assess its future carbon exposure under different carbon constraint scenarios, from a financial and a reputation perspective, looking at a post-2020 time horizon. In addition to carbon policy issues, ICF evaluated potential physical climate change impacts on the company's assets according to the different scenarios and estimated the resulting expected financial exposure. ICF also identified and analyzed a range of internal and external mitigation options and proposed selected measures and implementation planning aiming at lowering costs and risks and enhancing commercial opportunities.

Assessing climate-sensitive decisions. ICF is providing ongoing support to the U.S. EPA on this pilot study to inventory and analyze climate-sensitive decisions and develop a research design on which a future, national-scale decision assessment can be modeled. The focus of the pilot study is on water resource management decisions in the Chesapeake Bay area. The goal of the national-scale assessment will be to provide the foundation data and analysis on which EPA can base an effective, long-term strategy to provide the right types of decision support to the right types of decision makers, and thereby increase resilience to climate change and variability.

Climate change adaptation in the UK water sector. ICF supported the U.K. Environment Agency in analyzing the potential costs to water utilities of adapting their infrastructure to be robust against climate change impacts. ICF reviewed the potential range of climate change impacts for water utilities and then developed assessments in the areas of enhanced sewage treatment to meet current water quality standards, network enhancements to handle changes in the pattern and volume of rainfall-related drainage and infrastructure risks due to sea-level rise. ICF's report also established decision-making frameworks and criteria for ensuring the identification of cost-effective adaptation measures.

Review of adaptation options for climate sensitive ecosystems. The Strategic Plan of the U.S. Climate Change Science Program (CCSP) calls for the preparation of 21 synthesis and assessment products (SAPs) to support policymaking and adaptation decisions across the range of issues addressed by the CCSP. SAP 4.4 has two primary goals: (1) review available information about known or potential adaptation options for responding to climate variability and change and (2) identify characteristics of ecosystems and adaptation responses that promote successful implementation and meet resource managers' needs. ICF conducted background research and is coordinating the efforts of authors and expert stakeholders to contribute to the final report focusing on six resource areas including: national forests, national parks, national wildlife refuges, wild and scenic rivers, national estuaries, and marine protected areas.

About ICF International

ICF International (NASDAQ:ICFI) partners with government and commercial clients to deliver professional services and technology solutions in the energy and climate change; environment and infrastructure; health, human services, and social programs; and homeland security and defense markets. The firm combines passion for its work with industry expertise and innovative analytics to produce compelling results throughout the entire program life cycle, from research and analysis through implementation and improvement. Since 1969, ICF has been serving government at all levels, major corporations, and multilateral institutions. More than 3,500 employees serve these clients worldwide. ICF's Web site is www.icfi.com.

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