



## Accelerating climate action in the public sector

# How climate action is transforming the public sector

The Biden Administration’s whole-of-government focus on climate action is poised to transform the functional and operational mandates of all federal agencies. New federal legislation and financing mechanisms, including proposals for trillions of dollars in climate and infrastructure-related spending, have the potential to radically accelerate investments in resilience and environmental initiatives and impacts at the national, state and international level.

The scale of the White House’s climate objectives — including a 50%+ reduction in emissions by 2030\*, a carbon-pollution free electricity sector by 2035, and a net zero economy by 2050 — are matched only by the challenge of implementing this vision in ways that achieve the Administration’s parallel goals of promoting jobs, innovation, economic growth and its Justice40 commitment to investing in disadvantaged communities.

**“...a whole of government approach to put climate change at the center of our domestic, national security, and foreign policy.”**

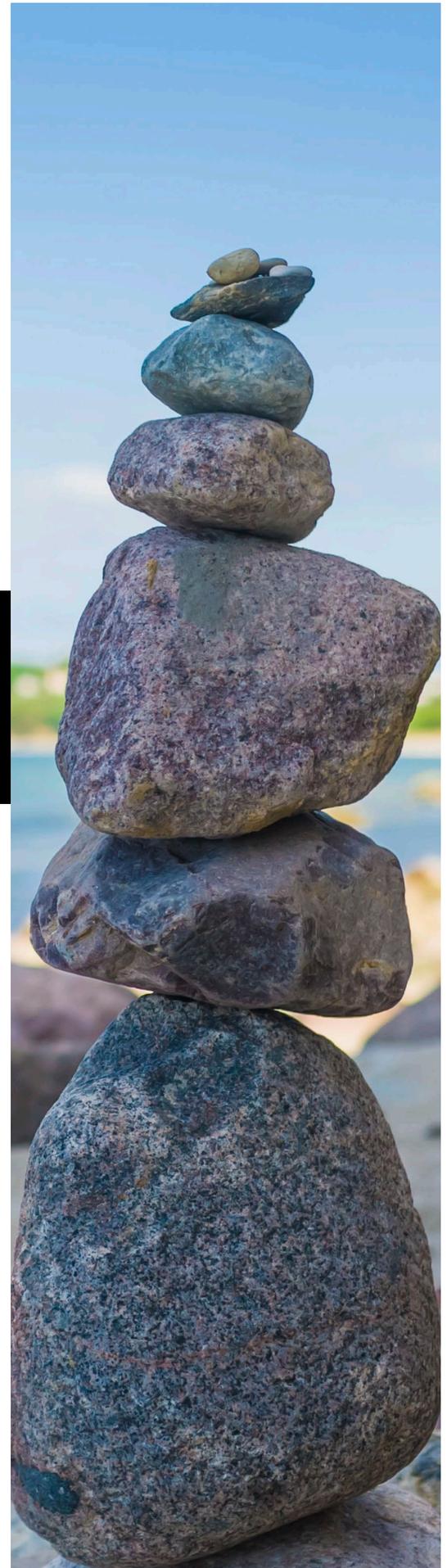
President Biden on Executive Order 14008, January 27<sup>th</sup>, 2021

## Linking climate to mission and mission to climate

Climate change has been a key component of the missions of agencies such as the Environmental Protection Agency (EPA) for some time. In other agencies, such as the Department of Agriculture, an elevated focus on a changing climate will alter the operational landscape and may require a rethink or reimagining of entire programs. In the current environment, all federal, state and local government entities need to understand and embrace how the climate change crisis affects their mission — and how that mission affects the climate. The key will be to take action on climate change in a way that both aligns with and advances their mission objectives.

To make meaningful headway on the Biden Administration’s goals, governance models must also reflect the unique scale and scope of the climate challenge. Successful implementation of large, complex public programs requires coordinated resources and expertise from multiple agencies and stakeholders in partnership with the private sector. This approach promotes each partner’s comparative advantages, yet also depends on the public sector successfully exercising new policy, institutional and analytical capabilities that are in themselves challenging to put in place. How swiftly agencies can identify and prioritize these capability gaps, and the partners they choose to address them, will in turn determine the impact and effectiveness of the U.S.’s climate journey over the coming decades.

\*relative to 2005



## Deloitte: a trusted climate partner with a track record of results

Leveraging the power of the private sector to address public sector climate goals, Deloitte is adept at helping our federal, state and local government clients develop comprehensive climate strategies, reduce emissions, increase resilience and drive inclusive growth. In the past decade alone, Deloitte has worked with the U.S. government to facilitate over \$20 billion in privately-sourced climate change investments and transactions.

Deloitte has the institutional breadth and experience needed to convene the critical ideas and resources — from digitalization, workforce ecosystems and remote sensing, to data-driven planning and stakeholder engagement — that are needed to inform and implement effective climate interventions.

We know how to help the public sector accelerate climate action, resilience and security, while simultaneously enhancing agency performance and better serving the social and economic needs of all citizens.



# In a whole-of-government response, all agencies are climate agencies

When it comes to climate change, our world has reached a critical turning point. The public and private sectors are being confronted by citizen- and market-driven pressures to develop comprehensive climate strategies, decarbonize, respond to increasingly unpredictable weather events, and support inclusive growth. At Deloitte we recognize that the U.S.'s climate actions over the next few years will reflect a wide range of public, private and individual decisions which, in combination, will define the direction of our emissions pathway for many years to come. Bold and coordinated action is needed now to shift that trajectory in the right direction, thereby helping to reduce long-term risks and meet the U.S.'s global emissions pledges.

However, the climate transition doesn't just have to be about reducing emissions and mitigating risks; it is also an opportunity for **federal, state, and local governments** to invest for the

future, improve resilience, create economic growth and jobs, and provide better services to citizens by:

- enhancing climate data analysis, workforce and stakeholder engagement structures;
- making infrastructure more adaptable and resilient to the effects of climate change;
- accelerating the development and commercialization of carbon-mitigating technologies;
- creating innovative public/private financing models to meet new investment needs and create jobs;
- planning, implementing and measuring for improved climate equity outcomes across programs.



Deloitte believes the climate transition can be accelerated by focusing on four key drivers:

Improving Operations through Decarbonization

Enabling, Adopting and Accelerating New Technologies

De-Risking Infrastructure, Assets and Finance

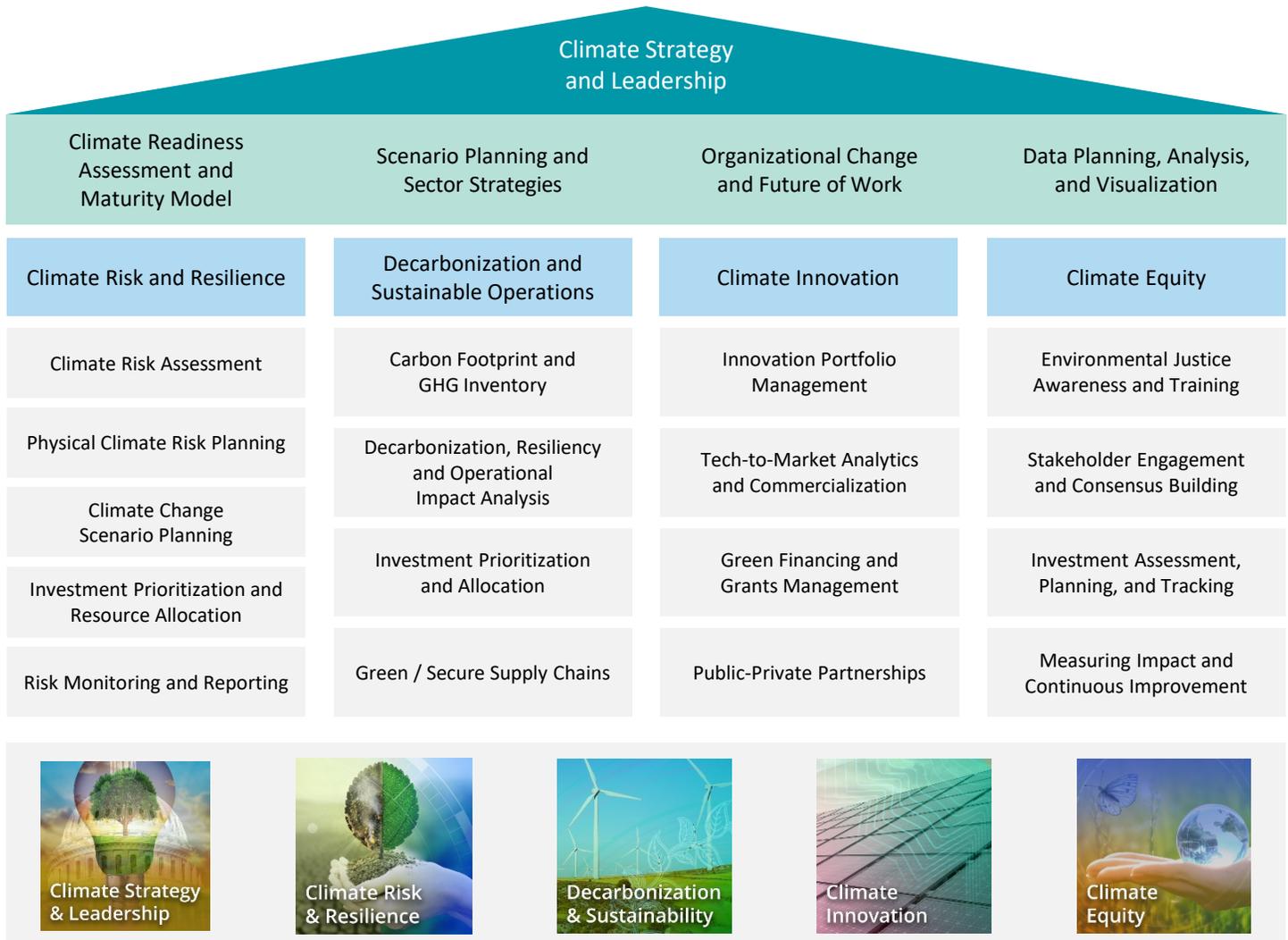
Engaging Workforce, Citizens and Stakeholders

# Deloitte's Climate Framework

To meet the White House's ambitious climate goals, the U.S. public sector must confront multiple challenges:

- creating and coordinating the institutional, organizational and data capabilities needed to manage an effective climate strategy
- mitigating the risks posed by a changing climate to people, assets and operations,
- prioritizing investments to reduce emissions *and* improve operational performance,
- partnering with the private sector to accelerate new climate technologies and the innovative financing to pay for them
- promoting equitable and inclusive growth.

To help our clients meet these challenges while balancing multiple agendas, goals, and constituencies, Deloitte offers an experienced team of climate professionals, analysts, and industry and financial specialists who understand both the public and private sectors. Using our **Climate Framework**, Deloitte's solutions and offerings empower clients to accelerate effective climate strategy and leadership across four key climate transition drivers:



# Deloitte's track record: Accelerating public sector climate action and impact

## Streamlining Community-level Environmental Analysis

Deloitte supported the **Federal Emergency Management Agency (FEMA)** with the release of the **National Risk Index (NRI)**, enabling users to assess 18 different environmental risk factors via a centralized, unified database. NRI also helps federal, state, local and tribal stakeholders to measure community-level social vulnerability by integrating multiple hazard, socio-economic and built environmental factors. Further, NRI helps users make decisions that allow them to optimize their return on investment for mitigation activities.

## Unlocking Private Funds to Improve Public Sector Resilience

In partnership with the **Department of Defense**, Deloitte collated and analyzed over one million operational data points to identify water and energy resilience gaps across a broad range of domestic and international facilities. To enhance supply-chain security, and improve mission resilience, we designed and supported the implementation of a variety of advanced and renewable energy solutions — leveraging third-party funding via mechanisms such as Enhanced Use Leases, Energy Savings Performance Contracts, and Utility Energy Services Contracts.

## Accelerating Technology Development

To speed the development of new energy technologies, we are assisting the **Department of Energy's National Energy Technology Laboratory (NETL)** to review a portfolio of 100+ federally-supported research projects. After identifying projects with market-facing potential — from carbon capture usage and storage to rare earth supply chains — NETL works with Deloitte to provide commercially-focused support to shorten the development cycle and promote private sector uptake of the technology.

## Catalyzing Energy Investments

Provided market and financial acumen to substantiate the deployment of federally funded debt financing instruments using Deloitte's MarketBuilder analytics platform, we are assisting the **Department of Energy's Loan Programs Office (LPO)** to implement a debt financing instrument for a transformational processing technology. Once deployed, the technology will help to secure the US critical mineral supply chain.

## Improving Green Supply Chain Governance

To promote transparent energy governance, accelerate investment into green minerals, and create a more resilient clean energy supply chain, Deloitte worked with the **Department of State** to launch the **Energy Resource Governance Initiative (ERGI.tools)** at the 25,000-attendee PDAC conference in 2020. A collaboration with Australia, Botswana, Canada and Peru, ERGI provides technical outreach and leading examples of improved mineral stewardship to partners around the world.





# Our commitment to change: Deloitte's internal climate objectives

As trusted change leaders, Deloitte's partners, counterparts, and the public expect us take our own climate journey as seriously as our clients'.

To do our part to help the world achieve the goals of the Paris Agreement, Deloitte has launched WorldClimate, our strategy to drive responsible climate choices within our organization and beyond.

We recognize change starts within. Deloitte is setting aggressive operational climate goals, providing our professionals with options (such as work-from-home options to reduce travel) to minimize their carbon footprint, and working with our ecosystem of suppliers and partners to show leadership in the transition to a low carbon economy.

## Deloitte's Corporate Commitments

### 1. Net zero by 2030

We commit to achieving ambitious science-based targets, including net-zero greenhouse gas emissions by or before 2030 for our own operations.

### 2. Embed sustainability across the organization

We align our climate policies, practices, and actions across our entire organization—from working to eliminate single-use plastics to reducing food waste.

### 3. Empower individuals

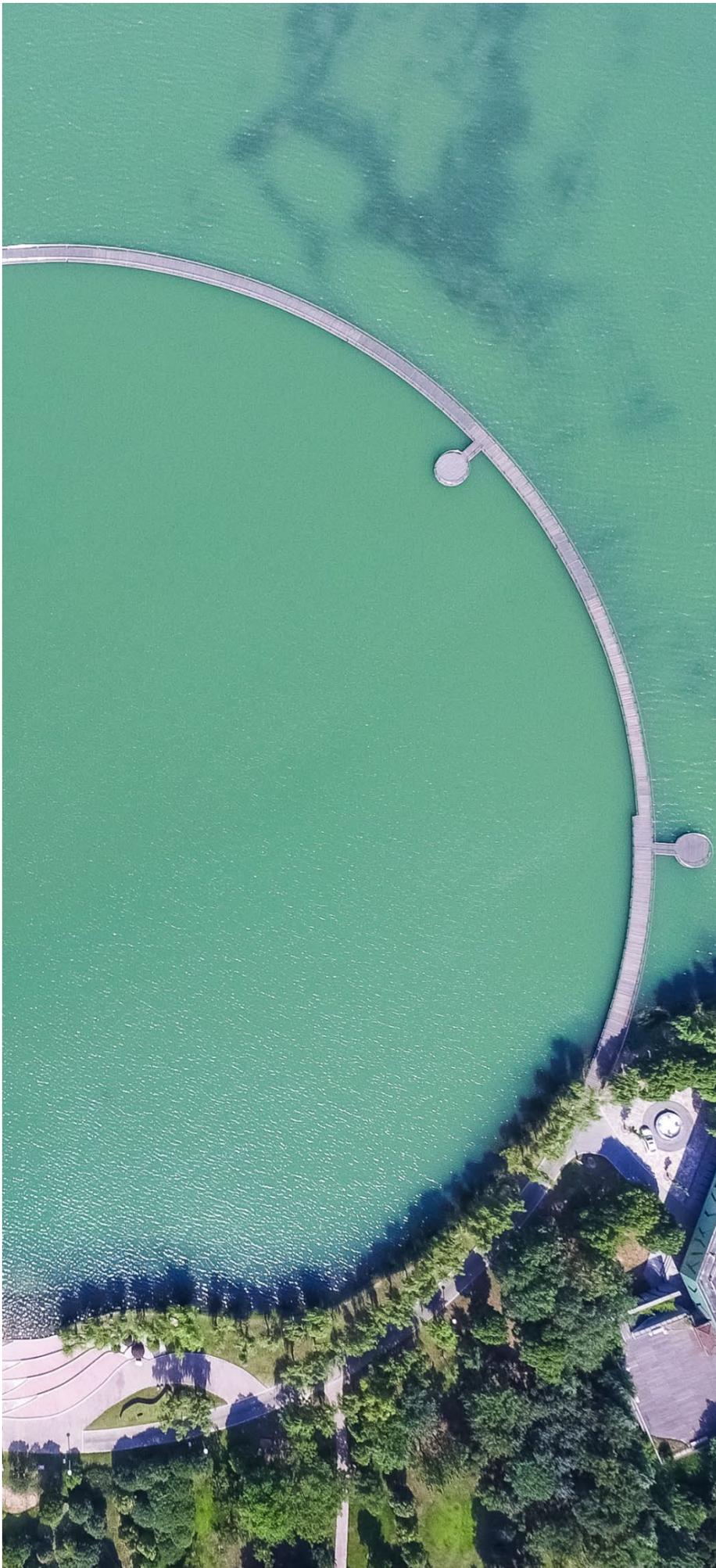
We engage, educate, and enable our people to make positive climate choices at home and at work, creating a multiplier effect.

### 4. Engage ecosystems

We collaborate with clients, alliance partners, NGOs, industry groups, and others to address and mitigate climate change impacts at a both a systems and operational level.

Deloitte developed our emissions reduction goals and mitigation strategy to align with the Paris Agreement's 1.5°C scenario. We are the first Big Four firm to have its emissions goals validated by the Science Based Targets initiative (SBTi). Ongoing climate actions include:

- Achieving 100% renewable energy supply to facilities by 2030
- Reducing business travel emissions by 50% per full-time employee by 2030 (from 2019 levels)
- Engaging our suppliers to facilitate 2/3 of them (by emissions) adopting a SBTi-based targets regime
- Procuring carbon offsets for any outstanding emissions from 2021 onward



# Working together

The need for climate action is an immediate concern, not a far-off challenge. The policies and priorities implemented by the public sector today will have environmental, economic and social implications for years to come. Deloitte's client-tested climate solutions, and track record of successfully aligning public sector goals with private sector innovations and financing, means that we are the partner of choice to help create a cleaner, more secure and resilient future that benefits all citizens.

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