



Good Practice Note: Environment Protection

Principle 4: Consult stakeholders

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Version	1.2
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This Good Practice Note is for DFAT staff, delivery partners and environmental specialists involved in delivering Australia's aid program. It is one of a series of notes which explains the principles of the aid program's Environment Protection Policy and how they should be addressed. The notes complement the Operational Procedures of the Environment Protection Policy.

4 How and when to consult people whose environment may be affected

4.1 Why is consulting stakeholders important?

Stakeholders should be consulted in developing and implementing investments that may carry environmental risks. Consultation enables people who may be affected by the activity to voice their concerns and help ensure that investments meet their development objectives without harming the environment. Stakeholders can help identify, avoid and manage investment risks.

Consultation includes keeping communities informed, listening to, considering and acknowledging concerns and aspirations, and providing feedback on how consultations have influenced decisions. Working with communities to develop options and solutions and in reaching decisions may be part of effective consultation.

4.2 What is the difference between disclosing information and consulting stakeholders?

Disclosure is revealing information, such as about an investment or its impacts that is relevant to those who may be affected.

Consultation involves obtaining community feedback on analyses, alternatives and/or decisions throughout a process to ensure that public concerns and aspirations are consistently understood and considered.

There may be DFAT and partner policies and guidelines relevant to stakeholder consultation including to enable gender equality, disability inclusive development and assisting indigenous peoples to overcome social and economic disadvantages. Consultation processes should be consistent with these policies.

4.3 What are the legal obligations?

All aid activity must comply with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and local environmental laws.

Environmental legislation typically provides for consultation with stakeholders as an integral part of environment assessment processes.

If an aid investment is likely to have a significant impact on the environment, and requires environmental assessment under the EPBC Act, statutory processes for consultation must be followed.

4.4 You are following good practice if you:

Begin early in the assessment process and continue to engage through the design phase.

This is a two-way conversation that can provide invaluable local knowledge to the design team.

Tailor the consultation to the level of risk – consultation for medium to high risk activity will be more comprehensive than for low risk activity.

Engage specialist expertise to design and facilitate consultation processes for complex and high risk activity.

Make information accessible - provide information about the activity and the assessment of environmental risks in an accessible place and in a language and form that is understandable by affected people and other important stakeholders (e.g. local environmental agencies).

Include stakeholders in decision-making and monitoring - provide opportunities for stakeholders to contribute to decisions about managing environmental risks. Build on these relationships to continue the consultation during implementation, and to engage local people in monitoring/reporting.

Develop local capacities - consider engaging local leaders and local environmental agency staff in the team.

Be inclusive and responsive to the needs of communities, including vulnerable groups -

DFAT has specific strategies and policies on gender equality, disability inclusive development and assisting indigenous peoples to overcome social and economic disadvantages.

Provide avenues for complaint and redress - seek consensus on risk management measures and benefit sharing. Work with local leadership structures and methods for working through grievances. Communicate and discuss the measures taken to address stakeholder concerns and take on board their ideas.

Follow DFAT displacement and resettlement safeguards for activity involving temporary or permanent displacement of people.

Examples of good practice consultation processes for international development activities can be found in the following documents:

[*World Bank Environmental Health and Safety Guidelines*](#)

[*Asian Development Bank Environment Safeguards: A Good Practice Sourcebook*](#)

[*Social Impact Assessment: guidance for assessing and managing the social impacts of projects \(International Association for Impact Assessment\).*](#)