



Good Practice Note: Environment Protection

Principle 5: Work with partners

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Version	1.2
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This Good Practice Note is for DFAT staff, delivery partners and environment 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](#).

5.1 How to comply with partner government laws

5.1.1 What are the legal obligations?

Aid investments must comply with partner country environmental laws.

Partner country laws and regulations may apply to various stages of aid investment design and implementation (such as environmental assessments and construction). Specific processes and approvals (often called certificates of compliance) may be required by national, provincial and local government agencies at different times in investment implementation.

Criminal and civil penalties may apply to breaches of environmental law. DFAT staff should take reasonable steps to ensure compliance, including through contract and monitoring/reporting provisions for aid activities.

DFAT must meet its obligations under Australian law [Environment Protection and Biodiversity Conservation Act 1999](#) (EPBC Act) as well as any partner government legal requirements.

5.1.2 What you should do

You should consult with partner environmental agencies early to identify requirements under partner country environmental laws and to seek their input into investment design and any environmental assessment and management process.

Matters protected by partner government laws should be considered as part of environmental risk screening and categorisation, environmental assessments and environmental management plans (see Good Practice Note: Environment Protection Principle 2: Assess and manage environmental risks and impacts).

Environmental assessments completed under partner country systems may be able to be used to inform DFAT's own screening and assessment of investments it is considering supporting

Engaging staff of country partner environmental agencies in environmental assessments can both build local capacity and provide expertise and knowledge in local environmental and legal requirements.

In some cases the capacity of partner countries to implement their own environmental laws may be weak. For example, procedures may not be in place to issue certificates of environmental compliance required by some partner environmental laws.

In such cases you should seek, as part of the design to work with the partner country to develop its capacity and systems.

5.1.3 Useful resources

Partner country environmental agencies - environmental agencies may provide guidance on environmental laws and how to ensure compliance.

Multilateral development banks - Asian Development Bank publishes Country Environmental Analyses including information on environmental status and trends, as well as policy, legislative, institutional and budgetary framework for environmental management (locate through internet search by country of interest).

5.2 How to harmonise with investment partners' safeguard systems

5.2.1 What are DFAT's investment partnerships?

The aid program is delivered through investment partnerships including:

- Bilateral grants to partner countries
- Contributions to multilateral initiatives
- Co-investment with multilateral and bilateral partners
- Partner government-led initiatives
- Partnerships with non-government agencies
- Public-private partnerships.

Australia's partners generally have their own safeguard systems for environmental protection with which they must comply. The safeguard systems of Australia's major multilateral co-investment partners (World Bank and Asian Development Bank) and increasingly those of other donors such as DFID (United Kingdom), Danida (Denmark) and JICA (Japan) are well developed and closely aligned with those of DFAT's Environment Protection Policy.

5.2.2 What are the legal obligations?

All aid investments must comply with partner government laws, the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and multilateral environment agreements. The EPBC Act applies to all aid activity, regardless of the delivery or investment partnership.

When working with partner systems DFAT must ensure that the assessment and management of potential environmental impacts of aid investments is consistent with DFAT's *Environment Protection Policy* and enable it to meet its legal obligations. In doing so, DFAT should work with its partners to harmonise environmental protection measures so that the requirements of all partners are met with minimal duplication of effort.

DFAT's legal obligations cannot be delegated or passed on to partners. However, agreements and contract provisions can help DFAT to meet its obligations. DFAT remains responsible ensuring their implementation.

5.2.3 What you should do

Investments to be delivered through partner systems should be screened and assessed for environmental risk by DFAT. Where there is not a high level of confidence that a significant impact on the environment can be avoided or mitigated, including through the partner systems, the activity may need to be referred for the advice of Australia's Minister for the Environment under the EPBC Act.

Screening and assessment results of investment partners such as the World Bank and Asian Development Bank can be used to inform DFAT's screening and assessment of investments it is considering supporting.¹

Where screening indicates a medium or high environmental risk, DFAT should:

Consult with and inform investment partners – brief investment partners early in the assessment process to determine their requirements and standards and communicate the requirements of Australia's Environment Protection Policy, including legal obligations under the EPBC Act and any timing and resource implications.

Conduct due diligence – review the safeguards systems of investment partners and consult on areas where these may not provide a high level of confidence that they will support DFAT to meet its requirements.

Consider the resources and time that may be needed to meet any specific *Environment Protection Policy* requirements

Ensure the investment design meets DFAT requirements (e.g. include any necessary assessment of environmental impacts, environmental management plans or monitoring and evaluation protocols).

Consider the need to **formalise environmental protection requirements** in agreements and contracts.

¹ The World Bank includes its project screening results in its Integrated Safeguard Data Sheets (ISDS). ISDS and environmental assessments are published on World Bank project websites. The Asian Development Bank includes screening results in rapid environmental assessments. These together with concept notes and environmental assessments (initial environmental examination (IEE) or environmental impact assessment (EIA) depending on project category) are published on Asian Development Bank's project websites.

Provide support for compliance – some investment partners, particularly smaller non-government organisations, may require more support to ensure that investments are consistent with the *Environment Protection Policy* and closer monitoring and evaluation of performance.

When submitting a partner-led design document for review and appraisal, check that the appropriate environmental assessments are attached and adequate and that relevant expert advice is sought if needed.

5.2.4 Good practice in working with partner systems

It is good practice to avoid duplication of effort by using investment partners' screening and assessment results to inform DFAT's own screening and assessment procedures.

Strong environment institutions and expertise in Australia's partner countries will help to ensure sustainability of aid investments and adequate monitoring and management of Australia's aid investments. You will be meeting good practice in environmental assessment and management if you:

Engage local experts in the environmental assessment, management and monitoring teams and include them in decisions;

Mentor local experts in good practice through twinning arrangements with international specialists; and

Inform partner country environmental agencies of the outcomes of environmental assessment and planning for aid investments and invite their input.

Develop and use partner country environmental protection systems where possible in meeting Australian and other investment partners' environmental protection requirements.

Further information on good practice can be found in:

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

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