



## **STRATEGIC PARTNERSHIP AGREEMENT**

**BETWEEN**

**THE DEPARTMENT OF CLIMATE CHANGE AND ENERGY EFFICIENCY  
(DCCEE)**

**AND**

**THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AusAID)**

### **Introduction**

1. Support for developing country action on climate change is an integral part of meeting development challenges, reducing poverty and advancing Australia's national interests. It is in Australia's national interest to support global action that can stabilise global greenhouse gas emissions at 450 parts per million or lower, including supporting the poorest and most vulnerable countries to adapt to the impacts of climate change. AusAID and DCCEE are natural partners in this endeavour.
2. The purpose of this agreement is to recognise the agencies' shared strategic goals, acknowledge agency strengths and establish partnership principles and coordination arrangements to enhance the strategic partnership between DCCEE and AusAID.

### **Strategic Partnership Principles**

3. The Strategic Partnership will be governed by the following principles:
  - a. The relationship of the agencies will be one of equal partnership valuing the contribution each agency can make to reaching common goals and recognising that each agency has different functions, skills, attributes and strengths.
  - b. The partnership will be underpinned by mutual respect, professionalism, honesty, cooperation, the sharing of ideas and open, two-way communication at all levels.
  - c. Each agency recognises that its roles and functions under this Strategic Partnership will be guided by its respective responsibilities within the Australian Government.
  - d. The agencies will liaise closely in the development and implementation of policies and programs that support climate change mitigation or adaptation actions in developing countries. Where appropriate, subsidiary arrangements to this Agreement may be established.
  - e. The agencies will consult with each other on policy and program issues of shared interest when providing advice to Ministers and when dealing with other government agencies to ensure a whole-of-government approach, while also recognising the responsibility of each agency to provide independent advice.
  - f. In order to manage issues related to performance, accountability and risk, the agencies will promptly and fully share information on matters likely to impact on relevant policy or the delivery of programs.

## **Shared Strategic Partnership Goals**

4. The agencies will work together to develop policy and deliver international programs and outcomes which advance the Australian Government's climate change, development and broader strategic objectives.
5. More specifically, DCCEE and AusAID will work together to:
  - a. Identify emerging strategic and regional issues and their consequences for policy development and program delivery.
  - b. Build the capacity of developing countries in the Asia-Pacific and other priority regions (as determined by the Australian Government) to better understand and respond effectively to the likely impacts of climate change.
  - c. Build the capacity of developing countries to contribute to the global effort to reduce greenhouse gas emissions, including through:
    - i. support for the development and implementation of national low carbon growth strategies;
    - ii. demonstrating approaches that reduce or limit emissions and contribute to sustainable development, including through measures that help overcome barriers to investment in clean technologies;
    - iii. building market-readiness for and demonstrating the practical application of reducing emissions from deforestation and forest degradation in developing countries (REDD+); and
    - iv. supporting the exploration and development of other market-based approaches to emissions reductions in developing countries, including through building market-readiness.
  - d. Ensure coordination of Australia's representation at international forums relevant to climate change to achieve whole-of-government outcomes.
  - e. Coordinate resources and report effectively to ensure in-country programs are delivered to meet whole-of-government objectives.
  - f. Effectively expend financial resources committed by the Government to climate change and development programs consistent with Official Development Assistance (ODA) requirements.

## **Agency Skills, Attributes and Strengths**

6. DCCEE brings the following particular skills, attributes and strengths to the Strategic Partnership:
  - a. Formal responsibility for provision of whole-of-government policy advice and policy development across the domestic and international climate change and energy efficiency agenda, including as the lead government agency on international climate change negotiations.
  - b. A strategic policy perspective on climate change issues across Australian Government portfolios informed by the deep understanding of international multilateral climate change negotiation dynamics and the domestic policy sensitivities of developing countries in relation to climate change.
  - c. Technical expertise and practical knowledge of specific climate change-related capacity matters which are relevant to the development of programs and policy in

developing countries in specific areas such as the land sector and technology – in particular on development of emissions inventories and the National Carbon Accounting System (NCAS), measurement and reporting.

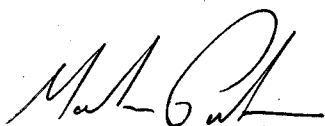
- d. Analytical and policy expertise in the development of financial and market mechanisms for climate change in international forums.
  - e. Analytical and policy development capability on domestic mitigation policy design, including on energy efficiency, renewable energy and emissions trading policy that may provide relevant lessons for international development.
  - f. Whole-of-government management and coordination of the delivery of climate change science domestically and internationally.
  - g. A strategic policy perspective and practical design experience on domestic and international climate adaptation policy and programs, including understanding climate change risks and vulnerabilities and developing evidence-based adaptation strategies and options.
  - h. Policy expertise and understanding of the nature and economics of adaptation relevant in the development context.
7. AusAID brings the following particular skills, attributes and strengths to the strategic partnership:
- a. Formal responsibility for the provision of whole-of-government development policy advice, drawing on a deep knowledge and understanding of the social, economic and political context in developing countries and their long-term development challenges;
  - b. Formal responsibility for the design and delivery of Australian development assistance programs focused on achieving sustainable development, including climate change programs.
  - c. Designated policy lead on disaster risk reduction in developing countries, including as an international advocate for investment in disaster risk reduction as a key component of climate change adaptation.
  - d. Understanding of the linkages between development and climate change policy through practical experience in design and implementation of multilateral and bilateral climate change adaptation and mitigation programs.
  - e. Long-standing and multi-faceted relationships with international financial institutions and United Nations implementing agencies, as well as experience with vertical fund governance structures and an insight into their strengths and weaknesses.
  - f. Policy expertise in financing mechanisms for climate change and development, including through management of Australian engagement in financing mechanisms for the UNFCCC, the Kyoto Protocol and other multilateral climate-related funds.
  - g. Experience with strengthening governance arrangements in developing countries, working with partner government systems and implementing risk management strategies for corruption prevention and program effectiveness.
  - h. Well established networks and relationships with partner governments, civil society organisations and other donors, climate change and development expertise and a strong presence in developing countries.

8. To achieve the Strategic Partnership Agreement's goals, DCCEE looks to AusAID to provide assistance in its areas of strength, in particular:
  - a. Expert advice on international development policy and program design, implementation and evaluation relevant to Australia's climate change assistance to partner developing countries.
  - b. Development and implementation of climate change programs consistent with policy objectives and regular reporting on program implementation issues to enable the consideration of the policy implications of on-the-ground experience.
  - c. Expert advice to inform policy decisions on the future international financial architecture and associated governance structures for climate change finance.
  - d. Advice on the practical implications for developing countries of Australian policy positions at international climate change forums.
9. To achieve the Strategic Partnership goals, AusAID looks to DCCEE to provide assistance in its areas of strength, in particular:
  - a. Clear climate change policy direction and expert advice on the broader policy context as a foundation for the administration of AusAID climate change programs.
  - b. Early advice of policy discussions at international climate change forums that are relevant to the design and delivery of AusAID administered programs.
  - c. Expertise, policy advice and program development in relation to climate change science, the nature and economics of adaptation, climate change vulnerability, evidence-based adaptation strategies, and carbon accounting, in particular in relation to REDD+ activities.
  - d. Advice on the relevance of development program implementation decisions to the overall pursuit of national interest climate change objectives, in particular how these decisions might impact on international climate change negotiating dynamics.

### **Coordination Arrangements**

10. Each agency will assign responsibility for maintaining the Strategic Partnership Agreement to an appropriate senior executive officer. Each agency has the obligation to notify the other of any changes to such arrangements.
11. The Minister for Climate Change, Energy Efficiency and Water and the Minister for Foreign Affairs have shared strategic oversight over jointly administered programs and will agree to all matters bearing on the strategic direction and public presentation of such programs.
12. DCCEE and AusAID will meet at Agency Head-level biannually, or as required, to review progress in meeting the Australian Government's objectives in addressing climate change as an integral part of meeting development challenges, reducing poverty and advancing Australia's national interests.
13. DCCEE and AusAID will meet quarterly, or as agreed, at Division Head-level as the DCCEE-AusAID Joint Steering Committee (JSC) to enhance cooperation between the agencies, deliver effective outcomes against ministerial objectives and ensure strategic oversight and coordination in servicing the Government on climate change and development. The Department of Foreign Affairs and Trade (DFAT) will participate in JSC meetings and other agencies may be invited as necessary.

14. The Terms of Reference for the JSC are at Attachment A to this Strategic Partnership Agreement.
15. On a day-to-day basis, dialogue will continue at an operational level between officers of both agencies who are responsible for the design, delivery and implementation of the programs and the development of policy advice.



*Dr Martin Parkinson*

*Secretary  
Department of Climate Change and  
Energy Efficiency*

*Date: 25 May 2010*



*Mr Peter Baxter*

*Director General  
Australian Agency for International  
Development (AusAID)*

*Date: 3 May 2010*



## **ATTACHMENT A**

### **The Joint Steering Committee of the Department of Climate Change and Energy Efficiency (DCCEE) and the Australian Agency for International Development (AusAID)**

#### **Terms of Reference**

The DCCEE-AusAID Joint Steering Committee will provide strategic oversight of shared policy interests and jointly administered programs to ensure that Australia's climate change and development objectives are met.

The Joint Steering Committee is established under the DCCEE-AusAID Strategic Partnership Agreement to enhance cooperation between the agencies, deliver effective outcomes against ministerial objectives and ensure coordination in servicing the Government on climate change and development.

#### **1. Joint Steering Committee Work Program**

The work program and meetings of the Joint Steering Committee will be flexible to respond to the needs of the ongoing partnership between the agencies. The Joint Steering Committee may make amendments to the current work program structure.

##### **1.1 Standing Agenda Items**

The Joint Steering Committee will routinely discuss the agenda items detailed in this section.

###### **(a) Jointly administered programs**

The Joint Steering Committee will review the development and implementation of jointly administered programs, including, but not limited to, the International Climate Change Adaptation Initiative (ICCAI), International Forest Carbon Initiative (IFCI), "fast-start" financing initiatives and related meetings and missions.

This will be achieved by:

- agreeing business and implementation plans, including ministerial and agency requirements and responsibilities;
- agreeing recommended timing of any announcements related to the programs, including likely ministerial engagement;
- reviewing progress against business and implementation plans, including through the AusAID Quarterly Budget Measure Reports, which include reports from implementation teams on the ground;

- periodically reviewing overall progress toward meeting ministerial objectives and Government commitments; and
- working to resolve any issues related to performance, accountability and risk that may adversely impact relevant policy or the delivery of programs.

(The Joint Steering Committee will also consider other relevant climate change programs, including those funded under the Australian development assistance budget.)

**(b) Shared policy interests**

The Joint Steering Committee will ensure well integrated and robust climate change and development policy outcomes in coordination with relevant agencies, as appropriate, in areas of shared interest, including climate change financing, forests and adaptation.

This will be achieved by:

- collaborating early to determine forthcoming requirements and tasks necessary to enable joint policy development; and
- working collectively to develop Australian policy positions for the delivery of ministerial advice and to contribute to international discussions and negotiations.

**(c) International consultations and discussions**

Recognising that DCCEE and AusAID are engaged internationally in areas of overlapping climate change and development interest, there is a need for the agencies to consult closely to ensure whole-of-government objectives are met, particularly where both agencies are not represented at international consultations and discussions.

The Joint Steering Committee will assist the agencies to plan and prepare for Australian engagement at international consultations and discussions, including, but not limited to, UNFCCC negotiations and meetings and other relevant multilateral climate change fora.

This will be achieved by:

- maintaining a joint calendar of upcoming meetings and forums of shared interest and coordinating briefing and representation requirements at an early stage; and
- working closely to develop Australian policy positions, public messaging and commitments in advance of international consultations and discussions.



## **1.2 Specific issues referred to the Joint Steering Committee**

From time to time, each agency may bring forward specific issues for consideration and decision by the Joint Steering Committee. Further details on these arrangements are provided in Section 2.3.

## **2. Operations and Decision-making**

### **2.1 Frequency and Chairing arrangements**

The Joint Steering Committee will meet quarterly, or as required, with the Chair and location alternating between AusAID and DCCEE.

The Strategic Partnership Agreement provides that the Secretary, DCCEE, and the Director General, AusAID meet biannually, or as required, to review progress.

### **2.2 Joint Steering Committee Participants**

Participants on the Joint Steering Committee will comprise:

- First Assistant Secretary, Adaptation, Land and Communications Division, DCCEE.
- First Assistant Secretary, International Division, DCCEE.
- Deputy Director General, Sustainable Development and Partnerships Division, AusAID.
- First Assistant Secretary, International Organisations and Legal Division, Department of Foreign Affairs and Trade (DFAT).
- Additional representatives from other agencies as required.

### **2.3 Secretariat functions and decision-making procedures**

Responsibility for providing secretariat functions for the Joint Steering Committee will rest with the agency that has chairing responsibility for each meeting. Secretariat functions include coordinating Joint Steering Committee matters inter-sessionally and responsibility for agendas, meeting papers, minutes and other relevant documents.

Specific issues for decision by the Joint Steering Committee will generally be accompanied by a paper with recommendations from the sponsoring agency. Arrangements for the distribution of papers prior to the Joint Steering Committee meeting are set out in Section 3.

Minutes for each Joint Steering Committee meeting will be prepared by the Secretariat within one week of the meeting for circulation and endorsement by participants. Minutes will include any actions arising and identify the agency responsible and timeframe for their implementation.

### **3. Subordinate arrangements - Joint Working Group**

A Joint Working Group will be established to support the Joint Steering Committee. The Joint Working Group, led by Assistant Secretary / Assistant Director General-level representatives from AusAID, DCCEE and DFAT, will include participation by other agencies as required.

The Joint Working Group will meet at least one week prior to each Joint Steering Committee meeting to consider the draft agenda and accompanying papers for its forthcoming meeting. Working draft papers will be shared at officer-level at least one week prior to the Joint Working Group.

The Joint Working Group will support the Joint Steering Committee by:

- considering papers and issues on the draft agenda for the forthcoming Joint Steering Committee meeting and, where appropriate, responding to their recommendations;
- referring papers and issues to the Joint Steering Committee for decision, focusing on areas requiring joint ministerial or departmental decisions; and
- considering the standing agenda items of the Joint Steering Committee and making recommendations on areas for joint work.

### **4. Subsuming existing arrangements**

Senior Officials Meetings established under joint governance arrangements for the International Climate Change Adaptation Initiative (ICCAI) and International Forest Carbon Initiative (IFCI) will be superseded by the new Joint Steering Committee and Joint Working Group arrangements.

Joint Working Group meetings will regularly include participants from the former ICCAI and IFCI Senior Officials Meeting arrangements, including, but not limited to the Department of Agriculture, Fisheries and Forestry.