



GOOD PRACTICE NOTE

Integrating Climate Change into Australia's Development Assistance for Implementing Partners

AUSTRALIA'S CLIMATE CHANGE COMMITMENTS AND TARGETS

Australia's [International Development Policy \(IDP\)](#) makes climate action central to our development efforts, including via the following ambitious, investment level target:

From 2024–25, at least half of all new bilateral and regional investments that are valued at more than \$3 million will have a climate change objective, with a goal of reaching 80 percent by 2028–29.

The IDP commits Australia to increasing the number of climate-related investments (with a primary or secondary climate objective) and ensuring all investments are informed by climate risk and opportunity analysis.

At the **country and regional level**, Development Partnership Plans (DPPs) are informed by climate risk and opportunity analysis and aligned with partners' Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and relevant climate-related strategies. Climate-related results are tracked via Performance Assessment Frameworks (PAFs).

At the **investment level**, designs over \$3 million are assessed against climate change criterion, which requires investments to address the extent to which:

1. climate change risks, impacts and opportunity analysis informs the investment and the investment aligns with partners' NDCs and NAPs
2. climate outcomes (primary and secondary objective programs) are logically integrated in the program logic and climate is integrated into the Monitoring, Evaluation and Learning (MEL) framework
3. climate activities are adequately resourced and reflected in the investment's budget and resourcing with a commitment for developing a Climate Change Strategy at implementation stage.

Consistent with the IDP, it is expected that all new in-scope programs will have a climate change objective – either primary or secondary.

REQUIREMENTS FOR CLIMATE CHANGE OBJECTIVES AND MAINSTREAMING

Climate change as a primary objective

Where climate change is the **primary objective** of an investment, addressing climate change must be fundamental to the design (i.e. the investment would not have been funded without this objective). Investment documentation must explicitly identify addressing climate change as the main objective (i.e. goal and objective) of the investment.

As climate is the key driver of the investment, at least one End of Program Outcome (EOPO) should be dedicated to climate change outcomes. However, from the perspective of good development, most, if not all EOPOs should reflect climate change outcomes. Where climate change is reflected in EOPOs, it should also be reflected in lower levels of the program logic, including Intermediate Outcomes (IOs), outputs and activities.

Examples of investments with climate change as a **primary objective**:

- An investment whose fundamental driver is to strengthen inclusive climate and disaster resilience through climate and disaster risk-informed governance and increased access to climate finance.
- An investment whose overarching objective is to increase adaptive technology to support agricultural production in support of inclusive climate and disaster resilient agriculture.
- An investment whose overarching objective is to increase renewable energy uptake and implementation to reduce emissions and strengthen energy security.

Climate change as a secondary objective

Climate change is assessed as having a **secondary objective**, where climate change is not the main driver or objective of the investment, but is explicitly identified as one of its outcomes. The investment must have at least one IO dedicated to climate change, although it may have several depending on how climate change sits within the overall investment.

In addition, climate change may also be reflected as a cross-cutting theme (similar to gender equality) in some EOPOs, although this is not a requirement. Where climate change is reflected in an IO, it should be a strong focus of the IO and should also be reflected in lower levels of the program logic, including outputs and activities. Climate change should be given substantial consideration in all relevant sections within the investment design.

Examples of investments with climate change as a **secondary objective**:

- A health investment whose main objective is to improve essential services and includes an outcome to increase the climate resilience of health clinic infrastructure to protect staff and patients from flood and cyclone risks.
- An education investment whose main objective is to increase literacy and numeracy and includes an outcome to integrate climate and disaster resilience into the curriculum to build knowledge and understanding of climate change.

Please note, provided it is clear and explicit that an investment is addressing climate change adaptation or mitigation (or both), the words 'climate change' do not need to be specifically used. For example, a project's objective may be to build climate-resilient infrastructure, increase uptake of renewable energy, protect natural carbon sinks, improve monitoring of rising land and sea temperatures, or respond to more extreme weather events, such as droughts, floods and cyclones.

In very limited circumstances, climate change may be an investment objective, but a climate change EOPO or IO may not be possible, due to the unique nature of the investment.

Mainstreaming climate change

Mainstreaming climate change through Australia's development program involves actively assessing and responding to climate and disaster risks, impacts and opportunities throughout the investment lifecycle. This ensures, to the extent possible, that development investments are climate and disaster resilient, and support climate mitigation or adaptation efforts. Primary and secondary climate objective programs also mainstream climate and disaster risk considerations across their activities.

This category for mainstreaming climate change in investments is for a small proportion of programs unable to integrate climate change as primary or secondary objectives. To mainstream climate, the minimum requirement is that investment must be informed by an analysis or assessment of climate and disaster risks, impacts and opportunities.

Examples of how climate and disaster risks, impacts and opportunities can inform investments:

- A health program that has objectives to address vector borne diseases and is informed by research showing a likely increase in mosquito prevalence due to increasing average temperatures in the highlands (a climate-related risk), expands its geographic coverage of dengue reduction.
- A food security program that has objectives to increase agriculture production and is informed by the likelihood of an increase in variable rainfall (a climate-related risk), expands its criteria for crops supported to include those that are tolerant to more variable rainfall.

More detailed considerations in mainstreaming climate change in programs may involve budgeting, resourcing, and technical expertise. This could include the regular collection of climate- and disaster-related data through monitoring and evaluation to inform lessons.

See Annex 1 for definitions of key actions in relation to climate change.

ASSESSING CLIMATE AND DISASTER RISKS, IMPACTS AND OPPORTUNITIES TO INFORM DESIGNS

Consideration of climate change risks, impacts and opportunities is encouraged at all stages of the aid management cycle, including design, implementation, and monitoring and evaluation.

To inform **investment design**, a desk-top assessment should be undertaken.

Assessments may include:

- Geological (e.g. earthquake and tsunami) and weather-related (e.g. cyclones, floods, droughts, heatwaves) hazards and risks faced by the country/region and sector, and informed by local knowledge. How climate change is increasing weather-related risks and driving sea level rise and ocean acidification. Consider climate change and disaster information sources, such as the World Bank's [Thinkhazard!](#) and [Climate Risk Country Profiles](#), and climate change risks annexes in DPPs.
- High-level climate change projections for suitable time periods (e.g. 2030, 2050 and up to 2100). Refer to the International Panel on Climate Change's [regional projection factsheets](#), Pacific climate projections and updates ([PACCSAP](#) and [Next Generation reports](#)), and World Bank and national climate agency data and country reports.
- Climate change consequences on human and natural systems, including projected impacts for the country/region and sector. For example, impacts on stakeholders (e.g. farmers, students), infrastructure (e.g. schools, hospitals), the environment (e.g. water sources), industry and economy (e.g. agriculture, jobs, supply chains) and services (e.g. health treatments, water distribution).
- Demonstrated alignment of the investment strategy with Australia's bilateral/regional commitments and priorities, and partner country/regional climate action plans and policies, including commitments in [NAPs](#) and [NDCs](#).
- Differential climate and disaster impacts and opportunities for at-risk populations, including women, children and people with disabilities. Review relevant analysis of gender equality, disability and social inclusion (GEDSI) issues in the partner country/region, including how these issues are addressed in climate change action plans and policies.
- Opportunities for program activities to address risks and impacts and build the resilience of communities and systems to climate change and disasters.

At **implementation**, more in-depth consideration of climate and disaster risks, impacts and opportunities (including the GEDSI-climate nexus) can be part of the Climate Change Strategy, required within the first 6 months of program delivery. This strategy should provide guidance on opportunities, activities and approaches for inclusive climate and disaster resilience during program implementation (e.g. principles, screening tools, checklists), including governance arrangements, workplans and staff/technical assistance.

ADDRESSING CLIMATE CHANGE AND GENDER AND DISABILITY

Climate change, gender equality and disability equity and rights are relevant to and interconnected with all sectors in which Australia delivers Official Development Assistance (ODA). Australia's IDP sets out dual requirements to address both climate change and gender equality, including for all investments to include a gender equality objective. Australia's [*International Gender Equality Strategy \(2025\)*](#) and [*Disability Equity and Rights Strategy \(2024\)*](#) have also elevated Australia's commitment to addressing climate change, recognising that addressing these issues together is mutually reinforcing for development outcomes.

ANNEX 1. DEFINING KEY CONCEPTS IN CLIMATE CHANGE

Adaptation: In human systems, adaptation is the process of adjustment to actual or expected climate and its effects, in order to moderate harm or exploit beneficial opportunities. In natural systems, adaptation is the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects. This includes activities intended to reduce exposure to climate change or minimise potential impacts. Adaptation is best understood as a process rather than an outcome, because the climate continues to change and there are many unknown consequences in human and natural systems. For example, actions to protect communities, infrastructure, water sources and agriculture from increases in risks from flood, drought, cyclones, raising temperatures and sea level rise.

Mitigation: A human intervention to reduce emissions or enhance the sinks of greenhouse gases. This includes efforts to limit emission sources (e.g. through limiting the burning of fossil fuels and increasing uptake of renewable energy) and activities to remove emissions from the atmosphere through natural processes of greenhouse gas capture (e.g. rehabilitating forests) or technical solutions (e.g. direct air capture). For example, actions to increase renewable energy, energy efficiency and use of low carbon materials from local sources in construction.

Resilience: The capacity of interconnected social, economic and ecological systems to cope with a hazardous event, trend or disturbance, responding or reorganising in ways that maintain their essential function, identity and structure. Resilience is a positive attribute when it maintains capacity for adaptation, learning and/or transformation and can be seen as a state to aim for.

Climate finance: Local, national or transnational financing, drawn from multiple sources, to support climate change adaptation and mitigation.

Under the IDP, Australia has committed to ‘do more to help partners achieve their commitments under the Paris Agreement and accelerate global ambition to address the climate crisis.’ As a signatory to the [Paris Agreement](#), Australia is on track to deliver \$3 billion between 2020–25, largely through existing ODA commitments.

ANNEX 2: CHECKLIST FOR INTEGRATING CLIMATE INTO INVESTMENTS

This checklist identifies ways to assess how climate change risks, impacts and opportunities have been considered and integrated into the aid investment cycle.

Concept

Is the investment concept informed by a current climate change and disaster risk, impact and opportunity analysis or assessment?	<input type="checkbox"/>
Does the investment concept direct the design to consider climate change outcomes for the program logic (primary or secondary)?	<input type="checkbox"/>
Are climate change issues addressed in other analyses undertaken e.g. a GEDSI analysis, political economy analysis, constraints to growth analysis, poverty analysis, social analysis, or conflict analysis?	<input type="checkbox"/>
Does the investment concept align with priorities identified in the country's or region's climate policy, such as National Adaptation Plan (NAP) and Nationally Determined Contributions (NDCs) and other climate-related policies? This may include commitments within those plans and policies to gender-responsive and inclusive climate action.	<input type="checkbox"/>
How are climate activities being adequately resourced and how is this reflected in the investment's budget and resourcing profile?	<input type="checkbox"/>
How is climate change expertise informing the development of the investment concept?	<input type="checkbox"/>

Design

Is climate change expertise being used to inform the design to support a coherent approach to climate action?	<input type="checkbox"/>
Does climate change analysis (including risks, impacts and opportunities, and GEDSI-climate nexus) inform the investment design, such as development context, relevant activities and outcomes (with a 1-2 page annex where suitable)?	<input type="checkbox"/>
Does the design align with the priorities outlined in the country's or region's climate-related policy, such as the NAP and NDCs?	<input type="checkbox"/>
Does the Theory of Change/Program Logic clearly articulate how climate change will be addressed, including through primary or secondary objectives (and EOPOs or IOs), as relevant?	<input type="checkbox"/>
Are indicators for tracking adaptation/mitigation measures included explicitly in the Monitoring Evaluation and Learning Framework?	<input type="checkbox"/>
Are climate activities adequately resourced and reflected in the investment's budget and resourcing (e.g. staff, technical assistance)? Does the design outline how climate outcomes will be actioned, for example in a climate change strategy during implementation stage?	<input type="checkbox"/>
Does the consultation plan engage key agencies and groups? For example local communities, climate and disaster national government agencies, Indigenous peoples, women's equality organisations, Organisations of People with Disability and other representative research agencies, institutions and civil society organisations.	<input type="checkbox"/>

Implementation

Is a detailed climate and disaster risk, impact and opportunity analysis for targeted communities informing program activities (linking to GEDSI analysis) and being periodically assessed (yearly or as new research becomes available) to ensure the investment is informed by the most accurate and up-to-date information?	<input type="checkbox"/>
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Is the program implementing a climate change strategy (linking to the GEDSI strategy)? This is required for investments with primary and secondary climate objectives.	<input type="checkbox"/>
Is the program delivering on its climate change objectives and/or outcomes, as defined in the program logic and supported by a climate change strategy?	<input type="checkbox"/>
Is climate change data disaggregated to reflect different sections of society, including sex, age and disability data, at minimum?	<input type="checkbox"/>
Are there dedicated staff or technical assistance with climate and disaster risk and resilience expertise in the program implementation team or accessed through technical assistance mechanisms? Do other key personnel (including a Program Manager, Monitoring and Evaluation Adviser, GEDSI Adviser etc.) have an understanding of climate change? Do position descriptions include responsibility for addressing climate change?	<input type="checkbox"/>
Is the investment committing time and resources to building capacities on inclusive climate and disaster resilience within the investment team and within implementing partners, as needed?	<input type="checkbox"/>

Monitoring and Evaluation

Is information on climate and disaster related activities and, where relevant, outcomes, being routinely collected and analysed to inform progress against climate change indicators to track progress? Is this appropriately budgeted and included in reporting?	<input type="checkbox"/>
Are climate objectives reflected in the Theory of Change/Program Logic as relevant? Refer to advice on having a primary or secondary climate objective and climate mainstreaming.	<input type="checkbox"/>
Are climate and disaster related indicators reflected in your Monitoring Evaluation and Learning Framework?	<input type="checkbox"/>
Is climate and disaster-related data collected, analysed and reported alongside other data to track and report progress?	<input type="checkbox"/>
Is climate expertise and experience included or engaged with on the Monitoring and Evaluation team?	<input type="checkbox"/>
Are climate and disaster risks, impacts and opportunities appropriately considered, including via key evaluative questions in Mid-Term Reviews (MTRs) or end of program evaluations?	<input type="checkbox"/>

Frequently asked question

What happens if an existing investment is amended and becomes larger than \$3 million, does it count towards the target? The investment would contribute to the climate integration target, if the amended investment entered the 'engage partner' stage during the reporting period and is a primary or secondary objective investment.

How is the target applied to investments that blend ODA and non-ODA? The target applies to the ODA-funded activities of the investment. For example, in a climate mainstreamed investment, climate change risks and opportunities and disaster resilience will inform the ODA funded project activities of the program.

Further Support

Refer to the [Investment Design Quality Assessment Tool and Scoring Matrix](#) to support your design.