



**Australian Government**  
**Department of Foreign Affairs and Trade**



# ENVIRONMENTAL AND SOCIAL SAFEGUARD POLICY

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This policy is effective from 1 January 2018 and applies to all new program investments seeking funding approval after that date. The policy will be reviewed at least every two years.

**Australian  
Aid** 

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# 1. INTRODUCTION

The Department of Foreign Affairs and Trade (DFAT) is committed to promoting sustainable economic development through the Australian aid program. This Environmental and Social Safeguard Policy (policy) outlines DFAT's approach to managing the environmental and social impacts of its aid investments. Implementing the policy will enhance DFAT's ability to deliver effective aid investments and manage aid program risks.

The Australian aid program operates in complex environments requiring robust risk management. The application of the policy supports the principles of good public policy and accountability by helping to ensure public money is effectively spent in a way that meets the objectives of Australia's aid program.

This policy:

- Sets out why DFAT applies specific safeguards
- Identifies principles to guide how DFAT approaches safeguards
- Sets out requirements for managing its five safeguards, including when working with partners:
  - I. Environmental protection
  - II. Children, vulnerable and disadvantaged groups
  - III. Displacement and resettlement
  - IV. Indigenous peoples
  - V. Health and safety.

Implementing the policy will help to ensure that aid investments do not cause harm including injury or injustice to the people it is intended to assist, or to their wider communities or environment. The policy will assist compliance with Australian and partner government policies and laws for social and environmental protection; and improve the consistency, transparency and accountability of decisions.

The policy requires early identification of environmental and social risks and impacts during the planning stage of investments and their continued management through the life of investments.

## What are safeguards?

Safeguards are measures taken to avoid or minimise the negative impacts of aid investments on people and the environment. DFAT's key multilateral and bilateral development partners share similar safeguard policies based on internationally recognised good practice.

DFAT has several complementary policies and strategies, including on gender equality, disability-inclusive development, climate change action, humanitarian assistance and indigenous peoples. These policies set out DFAT's priorities and objectives for these key development issues and ways to ensure the effective design and implementation of investments. A list of these complementary policies is provided in the **Policy implementation support** section.

While safeguards are essential to a successful aid program, they can only supplement, not replace these policies. DFAT's safeguards are informed by and can assist these policies to meet their objectives by enabling effective assessment and management of negative environmental and social impacts. For example, effective implementation of DFAT's priorities to enhance women's voices in decision making, promote women's economic empowerment and end violence against women and girls under the *Gender Equality and Women's Empowerment Strategy* will help to minimise and manage the gender dimensions of any negative environmental and social impacts of aid investments.

## 1.1 LEGAL AND POLICY SETTING

Australia's *Foreign Policy White Paper* recognises the importance of robust social and environmental safeguards. The Australian Government's development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability* commits DFAT to mitigate 'adverse environmental and social impacts in the aid program through the application of mandatory safeguard policies'.<sup>1</sup>

This policy assists DFAT to meet its obligations under Australian laws which apply to aid investments, including the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), the *Work Health and Safety Act 2011* (WHS Act) and the *Work Health and Safety Regulations 2011*. By requiring Australian aid investments to conserve and sustainably use natural resources and protect vulnerable and marginalised groups this policy contributes to achieving the 2030 Sustainable Development Goals.

Australia's developing partner countries may have their own systems for protecting their environment and people. Consistent with globally agreed effective development principles<sup>2</sup>, this policy supports efforts to use and strengthen partner country systems, enhance country ownership, increase the sustainability of development impacts, and reduce transaction costs.

This policy supports efforts of development partners to harmonise their safeguards and is closely aligned with the policies of key DFAT bilateral and multilateral partners, including the Asian Development Bank and the World Bank Group.

The policy is supported by the *Aid Programming Guide* (APG) and implemented through operational procedures and guidance notes (see **Figure 1**) as follows:

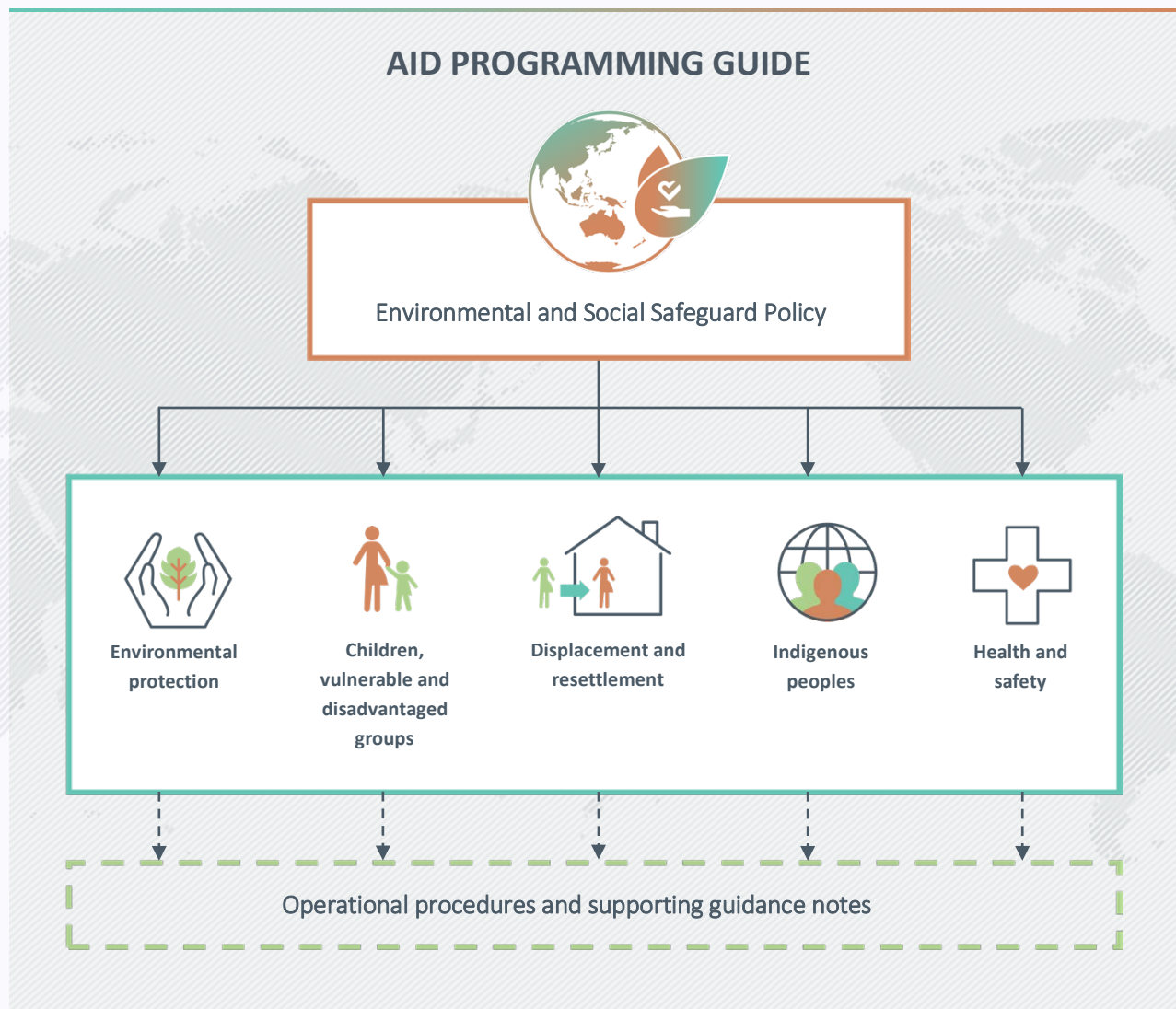
- APG: sets out the mandatory processes and recommended approaches for aid management.
- Environmental and Social Safeguard Operational Procedures (operational procedures): operationalise the policy, outlining roles and responsibilities, environmental and social risk management processes and tools required at each step of DFAT's aid management cycle.
- Guidance notes: set out best practice for the assessment and management of environmental and social risks and impacts associated with different types of aid investments and sectors.

<sup>1</sup> Australian aid: promoting prosperity, reducing poverty, enhancing stability p.30

<sup>2</sup> *Rome Declaration on Harmonization* (2003) and subsequent declarations of the High-Level Forums on Aid and Development Effectiveness (Paris 2005, Accra 2008, and Busan 2011).



**FIGURE 1: FRAMEWORK FOR IMPLEMENTING THE ENVIRONMENTAL AND SOCIAL SAFEGUARDS**



## 1.2 SCOPE

This policy applies to all DFAT Official Development Assistance (ODA) funded aid investments regardless of value or funding mechanism, including the Direct Aid Program (DAP). It applies also to ODA funded by DFAT and implemented through:

- Other Australian Government and public sector agencies
- Multilateral organisations and bilateral donor partners
- Private sector and civil society organisations (including contractors and subcontractors, Australian Volunteers International, non-government and civil society partnerships; and Public Private Partnerships).

This policy does not apply to ODA that is directly appropriated to other Australian Government agencies. Non-aid Departmental investments should consider program risks in relation to this safeguard policy.

## 2. SAFEGUARD PRINCIPLES

Safeguard principles guide DFAT's management of environmental and social impacts in the aid program. Applying the principles helps ensure investments achieve positive development outcomes without harming the environment, people or communities.

Investment design and implementation must meet the safeguard principles, which must be considered at each stage of DFAT's aid management cycle: policy and planning; design and procurement; implementation and performance management; and review and evaluation. The safeguard principles underpin the successful application of the five environmental and social safeguards.

### DFAT's Safeguard Principles

#### Principle 1: Do no harm

- ✓ Seek to protect the rights, health, safety, and livelihoods of people including, children, women, indigenous peoples, and other vulnerable or disadvantaged groups. Maintain the health, diversity and productivity of the environment.

#### Principle 2: Identify, assess and manage environmental and social impacts

- ✓ Identify potential environmental and social risks and impacts early in the investment design process, to ensure they are adequately assessed and managed in investment concepts, designs and implementation.
- ✓ Avoid, or where avoidance is not possible, minimise, mitigate or as a last resort, offset or compensate for negative impacts.
- ✓ Assess and manage direct and indirect environmental and social impacts of the investment in a way that is proportional to potential impacts.
- ✓ Manage risks and impacts of the investment through management plans and monitor and report on their delivery.
- ✓ Consider how the environment or different people groups are affected, including children, people of different genders, indigenous peoples and other vulnerable or disadvantaged groups. The assessment and management of potential impacts must consider these different needs.

### Principle 3: Engage effectively with stakeholders

- ✓ Be transparent about the investment, its risks and impacts in a way that is timely, accessible, and culturally and socially suitable for the affected people.
- ✓ Engage with affected parties and other stakeholders early in identifying and managing risks and impacts and continue this throughout the investment.
- ✓ Ensure consultations include affected parties, are inclusive, free of external manipulation, interference, coercion, or intimidation, and enable meaningful participation.
- ✓ Provide accessible and culturally appropriate grievance redress mechanisms and ensure that grievances are handled promptly, transparently, and without retribution or cost to the party that raised the concern.
- ✓ Disclose information about the social and environmental performance of aid investments in accordance with DFAT's aid transparency commitments.

### Principle 4: Work effectively with partners

- ✓ Comply with partner country safeguard laws and policies and where possible build partners' capacity to develop and implement environmental and social governance systems.
- ✓ Work with multilateral, bilateral, NGO and private sector development partners to ensure environmental and social impacts are managed in a way that is consistent with this policy.
- ✓ Work with partners to manage safeguard risks to maximise the use of country systems and avoids duplication or unnecessary safeguard assessment and management planning requirements.

### Principle 5: Promote improved environmental and social outcomes

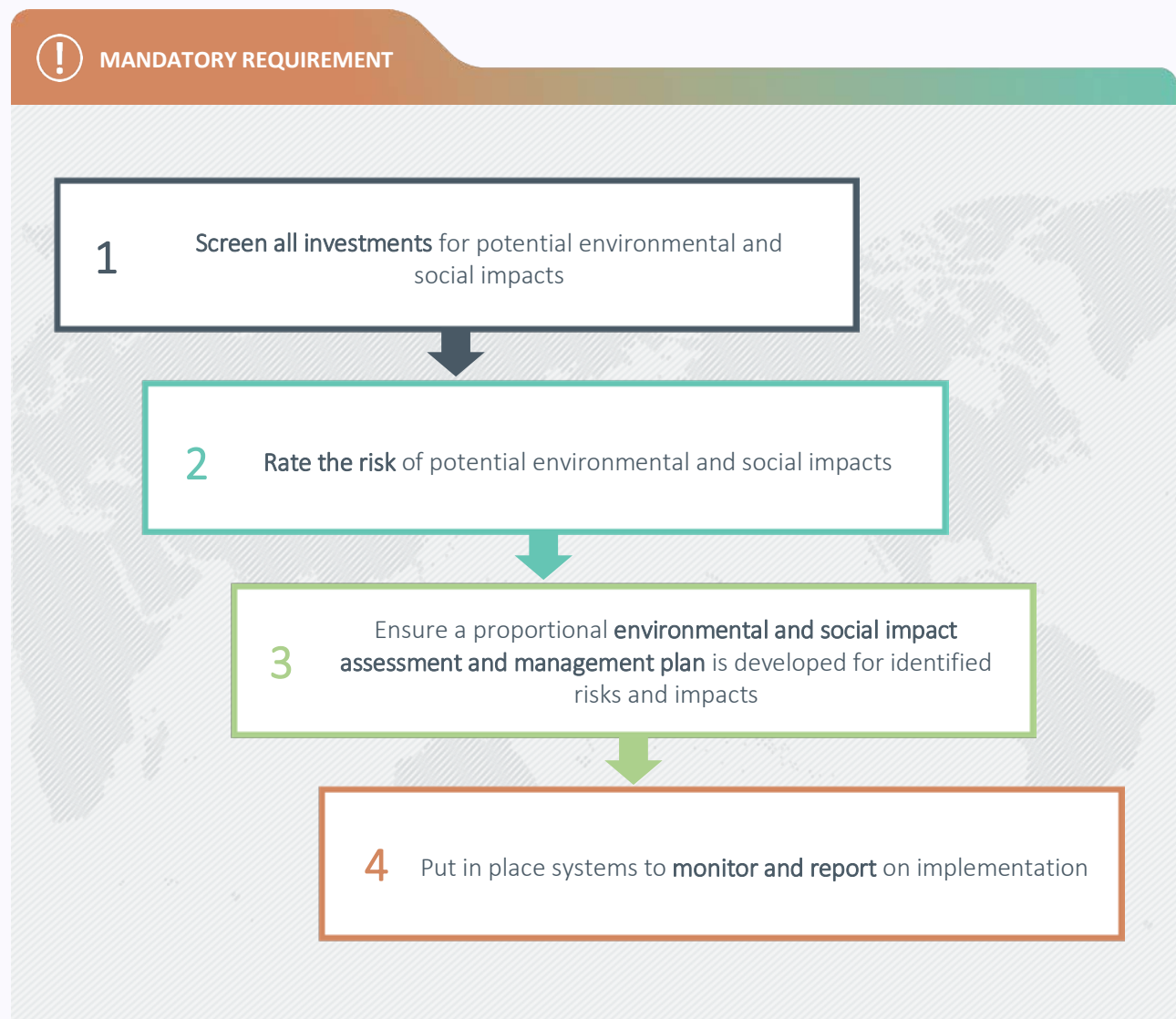
- ✓ Where possible, promote improved environmental and social outcomes by integrating ecologically sustainable development into aid investments. Improve the implementation and outcomes of aid investments by effectively identifying and managing risks.



### 3. APPLYING THE SAFEGUARD POLICY

There are mandatory steps for addressing safeguards when implementing aid investments. The steps are summarised in **Figure 2** and explained in detail in the operational procedures.

**FIGURE 2: OUTLINE OF DFAT'S MANADATORY SAFEGUARD PROCESS**  
(DETAILED DIAGRAM AT ANNEX)



It is mandatory to screen all investments, regardless of value or delivery mechanism, for environmental and social impacts. Screening quickly identifies aid investments with potential safeguard impacts that may require more detailed assessment.

Where screening indicates that an impact may occur, the level of risk must be assessed and rated.

If indicated by the risk rating, an environmental and social impact assessment (ESIA), proportional to the level of risk, must be completed. Depending on the circumstance, the assessment could be a brief review or a comprehensive technical assessment (for example, for a major infrastructure project). An effective assessment requires effective consultation and consideration of the needs of different people in a gender-responsive way.

Identified impacts must be managed through an environmental and social management plan (ESMP), a document that sets out details of how impacts will be managed, including timing, budget, roles and responsibilities. The management of safeguards must be monitored and reported as part of the implementation of the investment implementation process.

Steps in the safeguard process must be completed in a way that is consistent with the environmental and social safeguard principles, including effective engagement with stakeholders and coordination with partners.

Any or all of these steps may be carried out by DFAT's implementing partners, with agreement from DFAT or as part of the partner's own safeguard processes. However, DFAT must make sure the safeguards applied by partners are consistent with the requirements of this policy and monitored to ensure they are implemented effectively.

Complex investments, like large infrastructure projects, can have particularly complex safeguard risks. In these instances, comprehensive standards such as those of the World Bank [Environmental and Social Framework](#) or the International Finance Corporation [Environmental and Social Performance Standards](#) should be applied where appropriate. Where there are inconsistencies between these standards and DFAT's requirements, then DFAT's safeguard policy prevails. For example, DFAT does not allow the use of asbestos and DFAT's Child Protection Policy includes additional measures.

Sometimes, the potential impacts of an investment are not be clear at the time of design. In these circumstances, DFAT and the implementing partner should ensure that an environmental and social management framework (ESMF) is in place. This sets out how the environmental and social impacts of the investment activities will be identified, assessed and managed in a way that is consistent with this policy.

Specific methods and tools may need to be used to identify, assess and manage impacts relevant to different safeguards. For example, a resettlement action plan, indigenous peoples plan, or a health and safety management plan may be required. Specific requirements for each of the safeguards are discussed in the sections below.

For humanitarian assistance provided in the immediate wake of a crisis such as a disaster or conflict, it may not be possible to complete the safeguard process. In these instances, reasonable effort should be taken to apply the safeguard principles.

## 4. THE ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Five safeguards must be considered when identifying and managing the potential environmental and social impacts of aid investments.



### MANDATORY REQUIREMENT

All aid investments, regardless of value or delivery mechanism, must be screened for environmental and social impacts against the five safeguards:

- ☒ Environmental protection
- ☒ Children, vulnerable and disadvantaged groups
- ☒ Displacement and resettlement
- ☒ Indigenous peoples
- ☒ Health and safety

Screening identifies investments with potential safeguard impacts that may require more detailed assessment.

### I. Environmental protection

Negative impacts on the environment resulting from aid investments can harm the people they are intended to help and undermine development outcomes. Protecting and conserving natural resources and maintaining ecosystems is fundamental to sustainable development and integral to the economic prosperity of many developing countries. In addition, environmental degradation can increase the vulnerability of communities to disasters and the impacts of climate change.



Under the EPBC Act, DFAT must obtain and consider the advice of Australia's Federal Environment Minister before authorising any foreign aid investment that has, will have, or is likely to have, a significant impact<sup>3</sup> on the environment anywhere in the world. Consistent with the definition in the EPBC Act, the following aspects of the 'environment' must be considered:

- ✓ Ecosystems and their constituent parts, including people and communities
- ✓ Climate and natural systems and processes
- ✓ Natural and physical resources
- ✓ Qualities and characteristics of locations, places and areas, and
- ✓ Heritage values of places; social, economic and cultural aspects of the above, including those related to indigenous peoples.

### Assess and manage environmental and social risks and impacts

DFAT aid investments should:

- ✓ Protect and conserve biodiversity and natural habitats, and avoid damaging or degrading ecosystem services and natural resources, including through habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution
- ✓ Adopt a precautionary approach to the protection, conservation, management and sustainable use of living natural resources
- ✓ Avoid the release of pollutants to air, water, and land; if they are released, minimise direct and indirect discharges
- ✓ Manage the generation of wastes, where waste cannot be avoided, reduce, recover and reuse waste. As a final option, treat, destroy, or dispose of waste in a manner that is safe for human health and the environment
- ✓ Avoid the manufacture, trade, and use of hazardous substances that are subject to international bans or phase-outs (such as ozone depleting substances) - **asbestos containing material must not be used in new aid investments**
- ✓ Where feasible, use less hazardous substitutes, for hazardous materials not subject to an international ban (such as chemical lubricants, pesticides and herbicides)
- ✓ Promote sustainable management of natural resources including through cleaner production and efficient use of resources
- ✓ Avoid impacts on natural and cultural heritage, including historical sites, landscapes and traditions and apply internationally recognised practices to manage potential impacts.

Different people including children, people of different gender, indigenous peoples and other vulnerable or disadvantaged groups may be affected by environmental impacts in different ways. They may also value different aspects of the environment. To be effective, the identification, assessment and management of environmental impacts needs to consider the views and needs of different groups.

<sup>3</sup> A 'significant impact' is an impact which is important, notable, or of consequence, having regard to its context or intensity. Whether or not an action is likely to have a significant impact depends upon the sensitivity, value, and quality of the environment, which is impacted, and upon the intensity, duration, magnitude and geographic extent of the impacts. See the operational procedures for more guidance.

## Climate change and disaster risk

Aid investments can inadvertently increase the vulnerability of people and the environment to the short and long-term impacts of climate change and disasters. The potential impacts of climate change and disaster risk reduction must be considered as part of environmental and social impact assessments and management plans.

DFAT aid investments should:

- ☑ Consider technically feasible and cost-effective options to reduce investment-related greenhouse gas emissions
- ☑ Where possible avoid, or otherwise reduce, adverse impacts on vulnerable people caused by the risks of a changing climate or disasters (for example by not supporting infrastructure vulnerable to flooding, or livelihoods that are inappropriate for changing climatic conditions)
- ☑ Create incentives that will increase rather than reduce people's ability to adapt to climate change and disaster risks, such as water and energy conservation mechanisms
- ☑ Avoid setting directions that limit future climate adaptation choices, such as large capital and institutional commitment reducing future adaptation options.

These potential impacts must be considered at each stage of the aid management cycle. Details of DFAT's approach to integrating climate change and other disaster risks into Australian aid investments is described in *Climate action and disaster resilience* and the *Humanitarian Strategy*.

## II. Children, vulnerable and disadvantaged groups

Aid investments should benefit people and communities. Poorly planned or implemented investments can have an adverse impact on people including children, vulnerable and disadvantaged groups, such as by affecting their access to resources and livelihoods or disrupting social networks. The development needs of people including vulnerable and disadvantaged groups should be considered in impact assessments and management plans. DFAT seeks to protect people, especially the most vulnerable, from any forms of sexual exploitation, abuse and harassment in any of its work.



Impacts from aid investments can affect people and communities directly or indirectly including:

- ☒ Women
- ☒ Children
- ☒ Female or child-headed households
- ☒ People with disabilities
- ☒ The poor
- ☒ The elderly
- ☒ Indigenous peoples and ethnic minorities
- ☒ Religious and linguistic minorities
- ☒ Lesbian, gay, bisexual, transgender and/or intersex people
- ☒ People dependent upon the land of others for livelihood or residence.

### Safeguarding children

DFAT has a zero-tolerance approach to child exploitation and abuse. The [Child Protection Policy](#) sets out obligations on DFAT staff and delivery partners to assess and manage child protection risks within their organisation and activities. The [Child Protection Policy](#) includes recommended standards to help organisations manage risks and keep children safe from potential abuse and exploitation by individuals – if the organisation is child focused or the activity is working with children then it is mandatory that organisations adhere to all recommended child protection standards. The Child Protection Policy applies to all DFAT's work, not just the aid program.

DFAT safeguards children in aid investments through the application of the [Child Protection Policy](#) and by considering potential impacts on children from aid investments in screening, impact assessment and management plans. These helps ensure the delivery of aid investments does not expose children to harm or the risk of abuse and exploitation.



## Assess and manage environmental and social risks and impacts

Consistent with its policies on protecting children, vulnerable and disadvantaged groups through its aid investments, DFAT will:

- ✓ Identify individuals and groups that may be affected by the investment because of their disadvantaged or vulnerable status, this includes children and others
- ✓ Engage in a way that is relevant to the different interests and needs of potentially affected groups
- ✓ Seek to avoid negative impacts on children and other vulnerable and disadvantaged groups, including in managing Health and Safety responsibilities and preventing sexual exploitation abuse and harassment
- ✓ Implement measures so that any negative impacts do not fall disproportionately on children and other vulnerable and disadvantaged groups, and that they share the benefits and opportunities of the investment
- ✓ Avoid unintended consequences, such as exacerbating existing risks of violence, social inequalities, conflict or disasters that may impact on children and other vulnerable and disadvantaged groups.

Where indicated by a risk assessment, potential impacts on people, including children and other vulnerable and disadvantaged groups must be identified and assessed through an environmental and social impact assessment. Practical measures to avoid or mitigate adverse impacts should be included in an environmental and social management plan.

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### Gender and disability-inclusive development strategies

DFAT has strategies to ensure that aid investments improve development outcomes for vulnerable and disadvantaged groups.

#### Gender strategy

Development results cannot be achieved without clear attention to the different needs, interests, priorities and roles of women, men, boys and girls, and the relations between them. DFAT's requirements for integrating gender equality issues into its aid investments are set out in the *Gender Equality and Women's Empowerment Strategy*. The strategy recognises the particular vulnerabilities caused by gender inequality, and the need to empower women and girls as leaders, implementers and decision makers. The strategy goes beyond concepts of protecting women and girls, to promoting women and girls as key agents of change, implementers and leaders. Gender inequality and pervasive harmful gender norms means that women and girls are often among the most vulnerable and disadvantaged and need protective, as well as empowerment measures that respond to the barriers they experience.

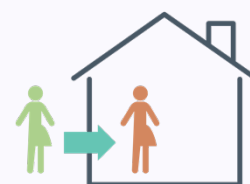
#### Disability-inclusive development strategy

Australia recognises that everyone is affected, if the most disadvantaged people are left behind and acknowledges that people with disabilities make up the largest and most disadvantaged minority in the world. *Development for All 2015–2020: Strategy for strengthening disability-inclusive development in Australia's aid program* sets out how DFAT is strengthening its impact in promoting disability-inclusive development through to 2020.

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### III. Displacement and resettlement

Aid investments, such as the building of economic or social infrastructure, sometimes require the use of occupied land. If not properly addressed, the physical or economic displacement<sup>4</sup> of people from such land may lead to long-term hardship and poverty. The poor and other vulnerable groups are particularly at risk in investments involving displacement.



Resettlement is a process that helps people build new lives in a different location while mitigating the effects of displacement on their standard of living. When done well, resettlement can ensure displaced communities share the benefits of development.

This policy does not apply to resettlement resulting from documented voluntary land transactions and where such a transaction affects only those with legal rights. The policy only applies to development-induced displacement, specifically physical and economic displacement resulting from the following investment actions:

- ✓ The compulsory acquisition by a partner government of land rights or land use rights in accordance with the legal system of that country
- ✓ A partner government taking possession for development purposes of public land occupied or used by others
- ✓ Management and conservation plans or design measures that restrict access to land or other natural resources
- ✓ A partner government legally designating a park or protected area that leads to involuntary restrictions on access to land or natural resources
- ✓ Humanitarian assistance in reconstruction and recovery
- ✓ Technical assistance supporting the design of investments that will require land acquisition or restrictions on access to land or other natural resources.

Responsibility for managing displacement and resettlement rests with the government of the country where the project is undertaken. This is true whether Australia provides aid directly to a partner government, through a co-financing arrangement with a multilateral development bank, or by delegating responsibility for an investment to other development partners.

Where DFAT directly supports the implementation of aid investments that may displace people, DFAT is responsible for ensuring that partner government agencies are aware of, agree to, and fully implement the requirements of this safeguard. DFAT exercises its role primarily through support for effective assessment and planning in the preparatory stages of the aid investment, and through its own field-based review of progress and evaluation of outcomes in the implementation stage. In all such cases, DFAT monitors the implementation process to support effective delivery of all required actions.

It may not be possible to complete the safeguard process for relief resettlement as part of emergency assistance, such as in the immediate wake of disasters or humanitarian assistance. In these circumstances, reasonable efforts should be taken to apply the safeguard principles.

<sup>4</sup> *Physical displacement* occurs as a result of partial or complete loss of residential land, shelter, or other structures. *Economic displacement* occurs as a result of partial or complete loss of land, fixed assets, or access to assets, leading to loss of wealth, income sources or other means of livelihood.

## Assess and manage environmental and social risks and impacts

Where DFAT supports an aid investment that may displace people, the investment will:

- ☑ Avoid or minimise forced physical and economic displacement wherever possible by considering all viable alternative actions or design options
- ☑ Avoid negative impacts on those affected by the development, including vulnerable and disadvantaged groups, and where avoidance is not possible mitigate and/or compensate for such impacts in gender-responsive and disability inclusive ways
- ☑ Provide reasonable opportunities for affected people including displaced poor and other vulnerable groups to improve, or at least restore their livelihoods
- ☑ Ensure timely provisions of infrastructure and essential services at resettlement sites.

Where a Resettlement Action Plan is required, it must be prepared in advance of the implementation of the aid investment that is likely to cause physical and/or economic displacement. When not possible because the investment or resettlement sites have not been determined or, the scale and scope of displacement cannot be fully identified prior to approval, a resettlement framework, identifying likely resettlement measures and specifying organisational arrangements for their provision, should be prepared. A Resettlement Action Plan must be subsequently prepared in accordance with the resettlement framework when all necessary information is available but before initiation of works causing displacement.

Partner governments should ensure displaced persons without title to land or any recognisable legal rights to land, are eligible for, and receive, resettlement assistance and compensation for loss of non-land assets and that these communities are included in the resettlement consultation process.

Projects administered in partnership with the Asian Development Bank or the World Bank Group will use their respective environmental and social assessment processes, in conjunction with national requirements. The environmental and social assessment processes of other implementation partners may be used or adapted, once they have been reviewed and determined by DFAT to be broadly consistent in their objectives, principles, and scope of DFAT's relevant policies.

## IV. Indigenous peoples

Indigenous peoples often experience disproportionate rates of poverty, and increased risk of exclusion and marginalisation. DFAT is committed to providing opportunities to assist indigenous peoples, both in Australia and overseas, to overcome social and economic disadvantages.



Social, economic and political power imbalances as well as spoken language may prevent indigenous peoples' equitable participation and access to benefits resulting from aid investments. In addition, indigenous peoples may have diverse concepts of development based on traditional values, visions, needs and priorities.

Recognising the importance of overcoming social and economic disadvantages, DFAT's *Indigenous Peoples Strategy 2015-2019* provides a framework for DFAT to work with its partners to advance and promote the wellbeing of indigenous peoples around the world. Consult it when aid investments could affect indigenous peoples' interests.

### Assess and manage environmental and social risks and impacts

Where indicated by a risk assessment, potential impacts on indigenous peoples must be identified and assessed through an environmental and social impact assessment. Practical measures to avoid or mitigate adverse impacts should be included in an indigenous peoples plan or environmental and social management plan, and enable equitable access, participation and benefit from the investment. Likewise, barriers that may prevent indigenous peoples, including indigenous women, girls and people with disability, from accessing and equally benefiting from the aid program, should be identified through these assessments.

#### Defining indigenous peoples

Given the diversity of the world's indigenous peoples, there is no internationally accepted or agreed definition of the term 'indigenous' and the UN *Declaration on the Rights of Indigenous Peoples* instead affirmed that indigenous peoples themselves have the right to self-identify.

The international community identifies indigenous peoples by a series of characteristics that indigenous peoples have in common to varying degrees around the world. Former UN Special Rapporteur Martinez Cobo developed the most commonly cited characteristics:

*Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing on those territories, or parts of them. They form at present non-dominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal system.*

Consistent with the Indigenous Peoples Strategy 2015-2019:

- ☑ Engagement with indigenous peoples should start early in planning and continue through design and implementation to give opportunities to identify needs, concerns, and priorities throughout the process
- ☑ Indigenous peoples potentially affected by aid investments should have full and equitable participation in consultation processes and the ability to pursue their own priorities in economic, social and cultural development
- ☑ Consultations should ensure that both men and women can be heard, which may require separate consultations for males and females, and/or targeted engagement with indigenous women's organisations
- ☑ The dignity, human rights, aspiration, cultures and customary livelihoods of indigenous peoples must be respected
- ☑ Consultations should allow decisions to be made in an environment free of manipulation, coercion or intimidation, and be in a language that is understood
- ☑ All relevant information about the proposed investment must be communicated in a way that is understood by indigenous peoples to enable informed decision-making.

Where a partner government does not recognise the status of its indigenous peoples, DFAT should strive to apply the indigenous peoples safeguard to identify, assess and manage impacts. Acknowledging the global reach of the Australian aid program, DFAT will use whatever terms are utilised by its respective partner governments when referring to indigenous peoples (for example 'ethnic minorities') in their territories. In these cases, Australia, or its implementing partner, will adopt the language of respective partner government for indigenous peoples when applying this policy.

## V. Health and safety

DFAT aims to avoid negative impacts on the health and safety of people from aid investments, particularly vulnerable and disadvantaged groups. Aid investments can expose communities and people, including children, people of different gender, indigenous peoples and other vulnerable or disadvantaged groups to risks on their health and safety. Investments can exacerbate underlying environmental and/or social vulnerabilities experienced by communities.



DFAT has an obligation under the WHS Act to ensure, so far as is reasonably practicable, the health and safety of workers and others is not put at risk from work carried out on behalf of the department. This may apply to aid investments depending on the nature of the investment.

In addition to its obligations under the WHS Act, DFAT safeguards (including on child protection and environmental protection) seek to protect health and safety including specific groups such as children, vulnerable or disadvantaged people.

Those aid investments that involve DFAT ‘workers’<sup>5</sup> must comply with the requirements of the WHS Act. Guidance to comply with these requirements is set out in DFAT’s *Work Health and Safety Management System*, including the *Officer Due Diligence Manual*, and associated guidance.

DFAT’s WHS duty may be shared with others depending on the nature of the investment. DFAT must satisfy itself that the relevant aid delivery partners’ health and safety management processes are adequate to ensure the health and safety of workers and others so far as is practicable in the circumstances. In these circumstances aid investments must meet partner government laws in relation to workers and community health and safety, and, so far as is reasonably practicable, apply good international industry practice such as the *World Bank Group Environmental, Health, and Safety Guidelines*.<sup>6</sup>

As a minimum, DFAT aid investments must:

- ☑ Avoid the use of forced labour, including trafficked persons, slavery, servitude, debt bondage and deceptive recruiting of labour<sup>7</sup>
- ☑ Avoid any unsuitable forms of work which might impact on a child’s health, wellbeing or opportunities for education<sup>8</sup>
- ☑ Identify, assess and eliminate or mitigate so far as is reasonably practicable, potential health and safety hazards and risks
- ☑ Ensure workers and other people affected by the investment are consulted on relevant health and safety matters, and provide a way for people to raise health and safety concerns

<sup>5</sup> A DFAT worker is any person carrying out work in any capacity for the department, including work as an employee, a contractor or subcontractor, an employee of a contractor or subcontractor, an employee of a labour hire company assigned to work in the department, an apprentice or trainee, a student gaining work experience, or a volunteer.

<sup>6</sup> *World Bank Group Environmental, Health, and Safety Guidelines*

<sup>7</sup> Refer Modern Slavery Act 2018; *Child Protection Policy*

<sup>8</sup> Refer *Child Protection Policy* International Labour Convention 138, Minimum Age Convention.



- ☑ Ensure workers have adequate information, instruction and training to perform the work safely
- ☑ Ensure workers are provided with personal protective equipment to perform the work safely
- ☑ Include mechanisms for reporting and recording health and safety incidents and management responses
- ☑ Prohibit the use of asbestos containing materials in new aid investments and manage any existing asbestos containing material consistent with DFAT's policy *Managing asbestos risks* in the aid program
- ☑ Ban the use of prohibited and restricted carcinogens as defined in the WHS Regulations.

Further details are provided in the guidance *Managing health and safety risks* (forthcoming).

## 5. WORKING WITH PARTNERS

**DFAT seeks to work with partners who are committed to achieving a high standard of environmental and social outcomes.**

DFAT promotes harmonisation of policies among donors to reduce the burden of multiple donor requirements on partner governments. DFAT's key multilateral partners have their own environmental and social safeguard systems, which are broadly consistent with this policy. The safeguards systems of these partners can generally be accepted when they are implementing an investment supported by DFAT. However, DFAT should still ensure the partner's safeguard systems are implemented in a way that meets the objectives of this policy.

The safeguard systems of DFAT's bilateral, private sector, and other implementing partners may be used if they provide for aid investments to be screened, assessed and managed for environmental and social impacts in a way that is consistent with this policy.

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It is important to note DFAT has safeguard requirements that may not be met by partners' systems. These include that asbestos containing materials cannot be procured or used, and that child protection measures must be considered. Where DFAT has additional safeguard requirements, it will work with partners to agree a common approach to ensure environmental and social impacts are identified, assessed and managed to avoid duplication and minimise transaction costs.

Any aid investment that has or is likely to have a significant impact on the environment should be identified early and referred to [aidsafeguards@dfat.gov.au](mailto:aidsafeguards@dfat.gov.au) for advice on potential referral under the EPBC Act.

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DFAT should avoid imposing multiple or overlapping safeguard requirements on partner countries. Developing countries have their own laws to protect environmental and social values. Consistent with international agreements on aid effectiveness, DFAT should use and develop these systems where possible. When partner government systems are used but are not adequate to meet the requirements of this policy, DFAT may need to support supplementary environment and social safeguard assessment, management planning and implementation.

The operational procedures provide additional guidance on how to address safeguards when working with different partners.

## 6. POLICY IMPLEMENTATION SUPPORT

### CONTACT

For further information on this policy, contact DFAT's Aid Safeguards Team: [aidsafeguards@dfat.gov.au](mailto:aidsafeguards@dfat.gov.au)

### POLICY GUIDANCE

The following documents support the implementation of this policy:

*Environmental and Social Safeguard Operational Procedures and associated guidance notes*

*Climate Change Action Strategy*

*Humanitarian Strategy 2016 and associated guidance notes*

*Child Protection Policy and associated guidance notes*

*Preventing Sexual Exploitation, Abuse and Harassment Policy* (forthcoming)

*Gender Equality and Women's Empowerment Strategy and associated guidance notes*

*Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program and associated guidance notes*

*Indigenous Peoples Strategy 2015-2019: A framework for action*

*Reaching Indigenous People in the Australian Aid Program: Guidance note*

*Work Health and Safety Policy Statement 2017*

*Officer Due Diligence Manual*

*Work Health and Safety Management System*

*Managing Asbestos in the Aid Program and associated guidance note*

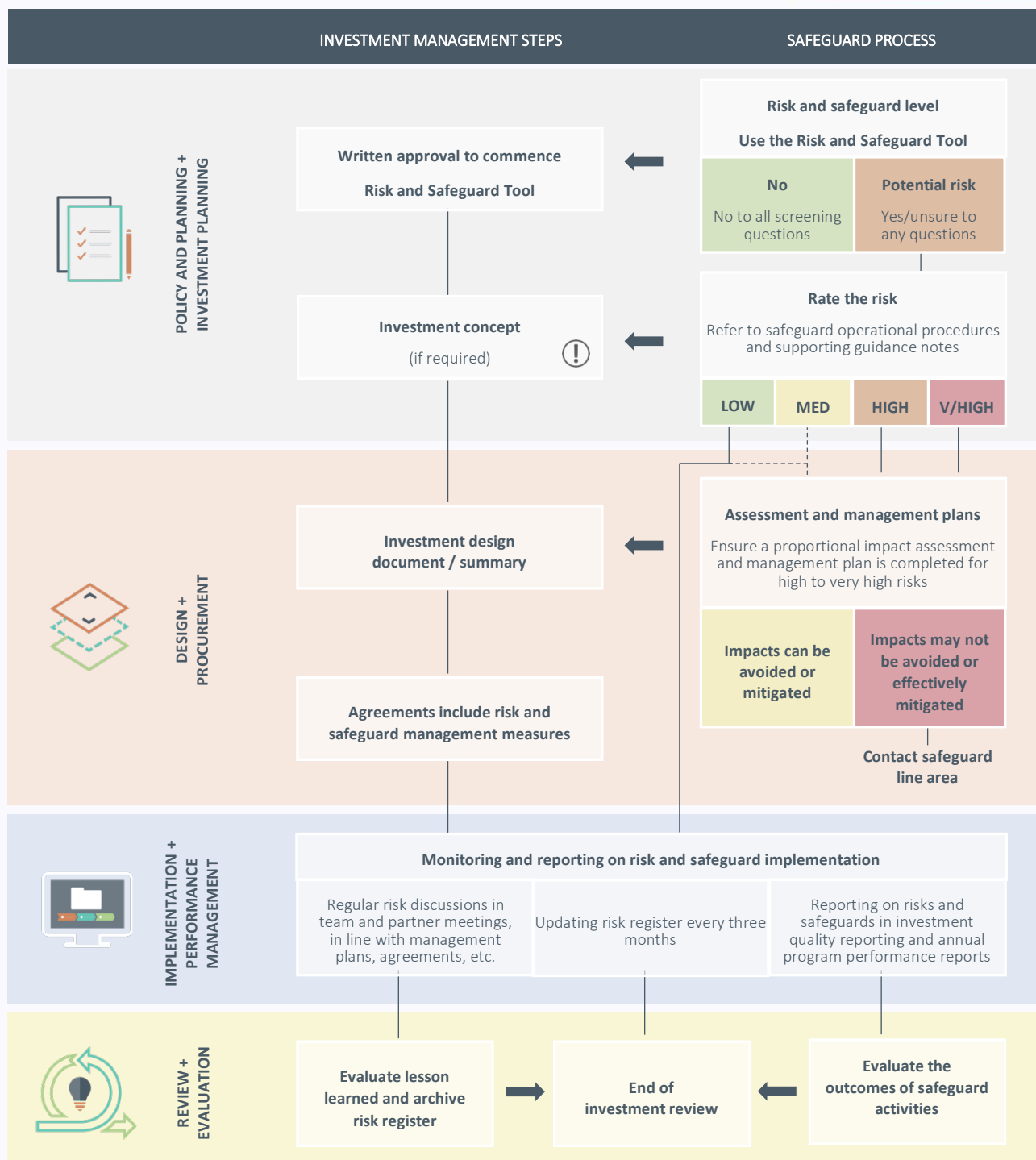
*Aid Programming Guide*

# GLOSSARY

TERM	MEANING
Aid investment	Any DFAT funded aid program investment or activity.
Child or children	DFAT considers a child to be a person under the age of 18 years. (DFAT <i>Child Protection Policy 2017</i> ).
DFAT worker	A DFAT worker is any person carrying out work in any capacity for the department, including work as an employee, a contractor or subcontractor, an employee of a contractor or subcontractor, an employee of a labour hire company assigned to work in the department, an apprentice or trainee, a student gaining work experience, or a volunteer.
Displacement	Displacement refers to both physical and economic impacts occurring because of development-induced land acquisition or restrictions on access to land or other resources that is imposed by a partner government on individuals, families or communities. Displacement can include both physical and economic displacement.
Ecologically sustainable development	Using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased.
Environment	<p>'Environment' is defined as:</p> <ol style="list-style-type: none"> <li>ecosystems and their constituent parts including people and communities;</li> <li>natural and physical resources;</li> <li>qualities and characteristics of locations, places and areas;</li> <li>heritage values of places; and</li> <li>the social, economic and cultural aspects of a thing mentioned in paragraphs a, b or c.</li> </ol>

<b>Environmental and social impact assessment (ESIA)</b>	The process of identifying, predicting, evaluating a project's positive and negative environmental and social impacts as well as identifying ways of avoiding, mitigating or at last resort offsetting negative impacts.
<b>Environmental and social management plan (ESMP)</b>	A plan that is an output of the ESIA and details measures to avoid, mitigate or offset negative impacts of the proposed action.
<b>Environmental and social management framework (ESMF)</b>	A document that describes the scope of the potential environmental and social risks of activities and outlines the approach that will be taken to their identification, assessment and management.
<b>Impact</b>	An impact is a change to the environment, including people and communities, whether negative or positive, or wholly or partly resulting from an investment's actions. An investment can have direct and indirect impacts on the environment. Impacts may be cumulative (over time) or combined (more than one impact in one place).
<b>Involuntary resettlement</b>	<p>Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, including those that lead to loss of income sources or other means of livelihood), or both.</p> <p>Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.</p>
<b>Resettlement action plan (RAP)</b>	The document that specifies the actions and procedures a responsible party will follow and will undertake to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment.
<b>Resettlement framework</b>	A resettlement framework specifies the required arrangements for resettlement activities for investments where sub-projects or investment components that-cannot be identified before investment approval.
<b>Significant impact</b>	A 'significant impact' is an impact which is important, notable, or of consequence, having regard to its context or intensity. Whether or not an action is likely to have a significant impact depends upon the sensitivity, value, and quality of the environment that is impacted, and upon the intensity, duration, magnitude and geographic extent of the impacts.
<b>Vulnerable or disadvantaged</b>	Vulnerable or disadvantaged refers to those who may be more likely to be adversely affected by the investment impacts and/or more limited than others in their ability to take advantage of an investment's benefits.

# ANNEX: MANDATORY ENVIRONMENTAL AND SOCIAL SAFEGUARD STEPS



[!] 10M OR MORE / HIGH RISK