

Australian Council for International Development

Guidance for the
development of a
Climate Action Policy



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DEVELOPMENT

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Introduction

The development sector globally, and in Australia, acknowledges that climate change is an urgent issue, requiring a response within all sectors and across all scales. ACFID members have a role to play in the system transformation that is needed to address the challenge of climate change.

ACFID has taken a proactive approach to support its members to take practical steps towards integrating climate action within organisation’s operations, programming and policy and advocacy activities. ACFID’s leadership is demonstrated through the development of its Climate Action Framework (Figure 1) which is designed to be a tool for members to consider the various entry points for climate action.

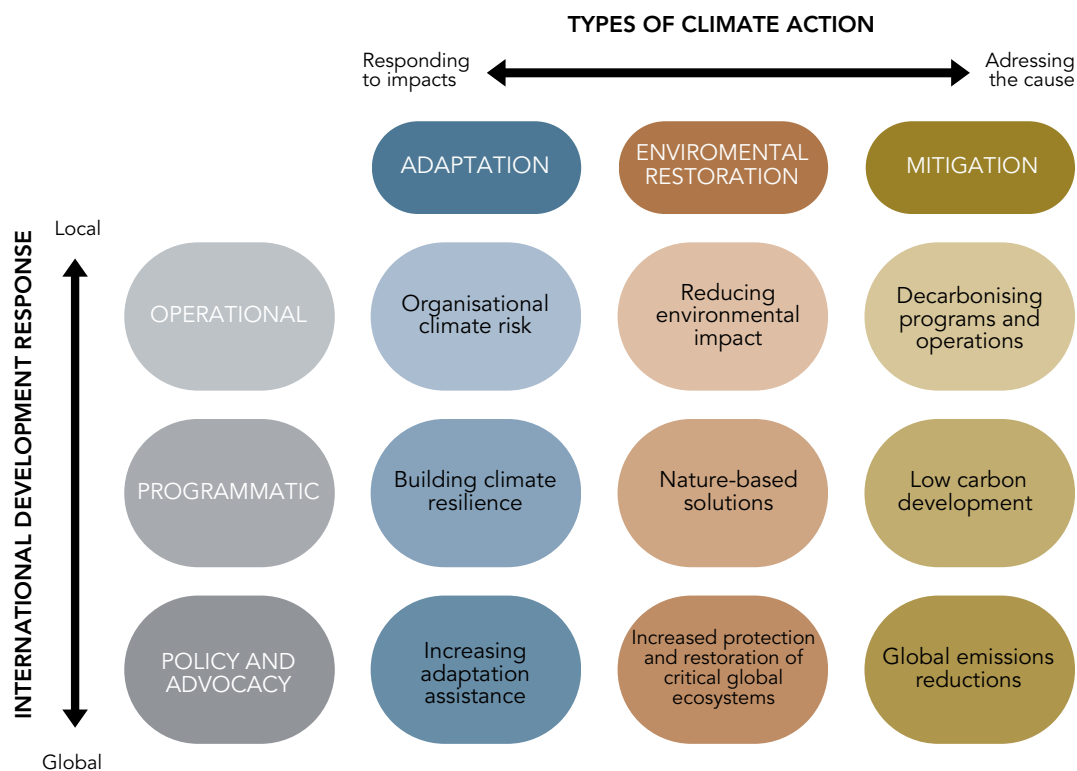


Figure 1: ACFID’s Climate Action Framework

This document provides guidance to ACFID members on how to integrate climate action into organisational policies. Content is drawn from a series of Policy ‘Write-shops’ held in May-June 2024, co-facilitated by ACFID and the University of Technology Sydney, Institute for Sustainable Futures (UTS-ISF).

The purpose of the Policy Write-shops was to provide rationale, examples and guidance for ACFID members on progressing climate action within their organisational policies. The Policy Write-shops provided an opportunity for ACFID members to draft new policies and / or revise existing policies which address climate action alongside their peers. Participants also had the opportunity to peer review each other's documentation relating to climate action.

Purpose and Audience

The purpose of this document is to provide guidance to ACFID members on practical ways to integrate climate action into organisational policies. The document also justifies why integrating climate action into organisational policies is needed, providing a rationale for policy change.

The primary audience for this document is ACFID members and their partners who are at the early stages of considering climate action in their organisations, including organisations where climate action is not an existing programming priority.

Climate Action and the ACFID Code of Conduct

Climate change is a global priority issue, which is already impacting, and will continue to impact the work of ACFID members and the communities and organisations they work with.

The revised ACFID Code of Conduct came into effect in June 2024. The revised Code include new commitments that address climate change. The amendments recognise that while not all members work in the area of environment and climate change programming, the impacts of climate change will be widespread.

ACFID members are required to satisfy the following **Compliance Indicators:**

A policy, statement or guidance document committing the members to

Promoting environmental sustainability, climate action and improved environmental outcomes in development and humanitarian initiatives.

(Compliance Indicator 3.2.1)

Minimising the environmental impact, including the carbon footprint, of their organisation's internal operations. (Compliance Indicator 3.2.2)

Design or planning framework, tools templates which require or approaches which consistently show:

Evidence of the analysis of environmental risk and management, including risks associated with climate change (Compliance Indicator 3.2.1)

context and stakeholders analysis. Contextual analysis should consider the impacts of climate change. (Compliance Indicator 4.2.1)

A risk framework, risk management plan or approach that :

Assesses and addresses risks for all initiatives including risks associated with climate change. (Compliance Indicator 4.2.2)

ACFID members are also encouraged to meet the following **Good Practice Indicators:**

- a. A focal person with responsibility for environmental sustainability is in place.
- b. Climate change mitigation, adaptation, and impact, and disaster risk reduction are incorporated into program strategies wherever possible.
- c. Program designs, implementation and monitoring and evaluation processes include consideration of potential and realised impacts on the environment.
- d. Environmental sustainability and impact training is provided to key personnel and partners.
- e. Periodic reports are provided internally and to relevant external stakeholders on environmental sustainability and impact achievements.
- f. Information about the impacts of climate change and environmental sustainability issues are promoted in public communications.
- g. Climate action policy, programs and advocacy reflect climate justice and equity principles.
- h. Organisational targets are in place to measure progress in minimising the environmental impact of our operations.

Definitions

The ACFID Code of Conduct uses the following terms and definitions:

Carbon footprint: the total amount of greenhouse gases (including carbon dioxide and methane) that are generated by an individual or organisation's actions.

Climate Action: actions taken to reduce the overall climate risks that communities, economies and ecosystems are facing across the world by addressing both the causes and the impacts of climate change. Climate action includes activities that support adaptation, environmental restoration and mitigation. These activities may relate to an organisation's operations, programming or policy/ advocacy work. (Adapted from ACFID's Climate Action Framework).

Climate Change: Climate change refers to any long-term trends or shifts in climate over many decades. These changes may be due to natural variations (such as changes in the Earth's orbit) or caused by human activities changing the composition of the atmosphere. (CSIRO).

Climate Justice: Climate justice is a concept that addresses the just division, fair sharing, and equitable distribution of the burdens of climate change and responsibility for its mitigation. A climate justice approach sees climate change as an issue of social and environmental injustice. It recognises that vulnerability to climate change can reflect existing structural injustices in society, and that climate action must explicitly address these structural power imbalances.

Environmental Sustainability: Making decisions and taking actions that minimise harm to the environment and people through the relationship they share with it, and ensuring the environment is not degraded beyond its capacity to maintain critical ecological processes.

Rationale for Addressing Climate Action in an Organisational Policy

There are clear benefits associated with integrating climate action into organisational policies. Conversely, there are risks associated with not making climate action visible in organisational policies. These benefits and risks are described in the table below.

Why include climate action in organisational policies?	Benefits of including climate action	Risks associated with not including climate action
Organisational statements provide details of organisational values.	Inclusion of climate change provides a mandate and starting point for organisational action and endorsement at senior management level.	Not having climate change in organisational statements may make the organisation more vulnerable to climate hazards and risks. It may also harm the organisation's brand and reputation.
Climate change is a human rights issue. Most ACFID members are champions for human rights, thus climate action aligns with core values of ACFID members.	Having climate action visible in organisational policies acknowledges that addressing climate change helps to protect human rights of vulnerable communities.	Lack of documentation and visibility may seem like an oversight from a human rights perspective.
Visibility of climate action relates to social licence to operate, social performance and organisational reputation.	Visibility is important to maintain a social licence to operate and demonstrates strong social performance. Reputational benefits of being active on climate change.	Lack of documentation and visibility may seem like an oversight from a social licence perspective. Reputational risks of inaction.
<p>Climate change will affect / is affecting:</p> <ul style="list-style-type: none"> - the communities and the diverse stakeholders in the countries in which ACFID members work. - ACFID members at an organisational level. - Climate change is therefore a relevant issue for ACFID members. 	<p>Positions ACFID members to adapt to emerging risks and function in dynamic climate conditions.</p> <p>Demonstrates to in-country partners the organisational stance of ACFID members and acknowledgement of climate impacts.</p>	<p>Ignoring evidence of climate change puts organisations at risk (security, operations, strategic focus).</p> <p>Ignoring evidence of climate change puts programs at risk (risks to program implementation, risks to achievement of program objectives).</p>

As per ACFID's Climate Action Framework, integrating climate action aligns with the principles of being evidence based. There is clear and mounting evidence that climate change is putting development progress at risk.	Acting on climate change draws on the existing evidence base that recognises the impacts climate change has on development.	Ignoring the evidence demonstrates a misalignment with principles of effective climate action.
Requirements associated with updated ACFID Code of Conduct.	Documentation and visibility of climate action is required to be a signatory to the ACFID Code of Conduct.	Risk of not maintaining Code signatory status.
DFAT requires that all ANCP investments should consider ways to integrate climate change.	Documentation and visibility of climate action is required for ANCP accreditation.	Risk of not being ANCP accredited.

Developing a Climate Action Policy or Statement Scope

Each ACFID member should determine where their commitment to climate action fits best in their organisational documentation. This will depend on a member's size, operational focus, and the way it uses and structures its organisational commitments and processes.

Some ways that members might choose to document their organisational commitment to climate action include:

- within a broader-scoped Environmental Sustainability Policy
- in a stand-alone Climate Action Policy
- as an organisational statement, including as part of their strategic plan
- referenced across a range of documents such as office management policy, program guidelines, advocacy strategy, etc
- integrated into other policies so it is approached as a cross-cutting issue.

Some examples of ACFID member policies that include climate action can be found in the [Climate Action Resource Hub](#).



Preparation

The process of developing or revising a climate action policy, or other organisational policies that make climate action visible could include the following steps or processes:

- Listening to in-country partners and program participants about their experiences of climate change and how they would like the organisation to support them.
- Seeking input from local partners on their priorities for climate action.
- Assessing climate exposure and risk across the programming portfolio.
- Conducting an audit of existing climate actions and commitments that the organisation is already doing.
- Doing a stocktake of what the organisation's partners and networks are doing in the climate space.
- Seeking the Board and senior management buy-in early on. Use evidence, stimulus resources, training.
- Identifying champions in different parts of the organisation's structure - on the board, in management, in marketing/communications, in programs, in administration/operations and seeking their advice on climate considerations relative to their team's work for enabling a whole-of-organisation approach.
- Identifying what supporters' priorities for climate action are.
- Developing a strategy and/or action plan to accompany the policy.

Policy Elements

Your organisation should also outline how its policy commitments will be implemented in practice. Below are some suggested elements that could be included in a climate action policy, or other organisational documents. Not all elements will be relevant to all ACFID members.



Responsibilities and delegations, for example

- The role of the board, management team, specific staff in climate action
- If there will be a working group or 'green team'
- How the board will be informed of climate risks and climate action



Approach to organisational risk, for example

- The tools that will be used to assess climate risk to the organisation
- Approaches to climate risk mitigation and management
- Risk assessment and policies for staff caught in climate emergencies



Reducing environmental impact of operations in Australia, for example

- Use of carbon footprint calculators or consulting an external expert
- Setting emissions reduction strategies and targets in line with science-based targets
- Waste separation and reduction
- How procurement will be approached and suppliers selected
- Approach to low-carbon transport options for the organisation, including regular commuting travel and air travel
- Efficient travel practices
- Reducing energy consumption and switching to clean energy sources
- Offsetting unavoidable emissions
- Reduced printing strategies
- Switching to climate-friendly banks



Assessing and managing climate impacts of programs, for example

- Frameworks for assessment of climate resilience in communities
- Processes for environmental screening and risk management.
- Approaches to climate action integration in programs
- Inclusion of local stakeholders and local and Indigenous knowledge
- How programs will intend to support national and regional priorities such as National Adaptation Plans
- Monitoring and measuring impact of climate action in programs



Equity, diversity and inclusion

- Acknowledging disproportionate climate impacts on marginalised groups, and that marginalised voices need to be included in responses.



Staff engagement, training and learning, for example.

- How you'll build the skills and capacity of staff in Australia and overseas
- What's expected for staff at induction, for ongoing training



Advocacy and community engagement, for example

- Having a public position
- How advocacy on domestic policy will happen
- Recognising advocacy priorities of local communities
- Networks and partners you can work with to amplify or join with on advocacy (in the communities you work, nationally, domestically, internationally)



Reporting on organisational performance

- Use of carbon footprint calculators or consulting an external expert
- Setting emissions reduction strategies and targets in line with science-based targets
- Waste separation and reduction
- How procurement will be approached and suppliers selected
- Approach to low-carbon transport options for the organisation, including regular commuting travel and air travel
- Efficient travel practices
- Reducing energy consumption and switching to clean energy sources
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Ethical funding procurement

- Switching to climate-friendly banks
- Avoiding donors that engage in fossil fuel extraction, deforestation etc



Climate action and DFAT:

DFAT released its Climate Change Action Strategy (2020-2025) in November 2019. In the strategy, DFAT recognised that climate change is a major risk to sustainable development and is threatening global efforts to eradicate poverty. It will increasingly affect all Australian development assistance policy and investment decisions and influence long-term planning and risk management.

Australia's International Development Policy was published in August 2023. DFAT recognises climate change as the single greatest threat to the livelihoods, security, and wellbeing of Pacific peoples and the greatest shared threat to all countries. The Australian Government is committed to taking ambitious action on climate change and to working closely with our neighbours to address its many impacts. Consideration of climate change risks and opportunities at all stages of the aid management cycle (including design, implementation, monitoring and evaluation) is strongly encouraged under Australia's International Development Policy.

If your organisation is DFAT funded, climate change risks and opportunities should be considered through the allocation of a primary or secondary climate change objective or through mainstreaming. Climate change mainstreaming should be considered across all sectors. Intent is a key consideration - project documentation must show that climate-related initiatives are intentional rather than incidental.

ACFID Climate Action Resources

[Code of Conduct Good Practice Toolkit for Quality Principle 3](#)

[ACFID Climate Action Resource Hub](#)

[Climate Action Framework for the Australian International Development Sector](#)

[ACFID's Introduction to Climate Change and Development e-learning](#)

[ACFID Policy Brief - Combatting Climate Change](#)

Credits

This guidance document was developed with the support of Anna Gero and Tazrina Chowdhury from University Technology Sydney - Institute of Sustainable Futures. The guidance draws on contributions from the following ACFID members that participated in the 2024 Climate Policy Writeshop:

ActionAid Australia, Action on Poverty, Adara Development Australia, Anglicans in Development, Anglican Overseas Aid, ASHM Health, Australian Doctors International, Australian Himalayan Foundation, Australian Lutheran World Service, Australian Red Cross, Burnet Institute, ChildFund Australia, Cufa, Family Planning Australia, FemiliPNG Australia, The Fred Hollows Foundation, Good Return, Habitat for Humanity Australia, International Nepal Fellowship Australia, Interplast Australia and New Zealand, Kokoda Track Foundation, Mary MacKillop Today, MSI Asia Pacific, Opportunity International Australia, OXFAM Australia, People with Disability Australia, RedR Australia, St John of God Outreach Services, Transform Aid International, UnitingWorld, World Vision Australia







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Cover photo credit: Nakau/ WWF Australia

Caption: Loru forest ranger Kaltabang Fred in part of Loru Conservation Area where invasive species merremia is encroaching. The Loru project looks at managing the invasive species *Merremia peltata* for forest restoration.

Inside back cover photo credit: Australian Lutheran World Service

Caption: Meri's rice harvest has grown four times since she received training in modern farming. Now, she can feed her family year-round.