

**Protocol Governance Committee
Meeting #13
Minutes**

06 July 2017: 12h00 (UTC+1)

Audio Call

In attendance

Name	Organization	Chamber
PGC Members		
Rikard Liden (Chair)	World Bank	Development, Public or Commercial banks
Ken Adams	IHA	Hydropower Operators and Developers
Roger Gill (Vice-Chair)	Hydro Focus	Hydropower Consultants, Contractors or Equipment Suppliers
Jian hua Meng	WWF	Environment or Conservation Organizations
Daniel Menebhi	SECO	Advanced Economy Countries
Professor Shi Guoqing	Hohai University, China	Emerging Economy Countries
Lesha Witmer	Women for Water Partnership	Social Impacts, Project Affected Communities
Alternates		
James Dalton	IUCN	Environment or Conservation Organizations.
Jürgen Schuol	Voith	Hydropower Consultants, Contractors or Equipment Suppliers.
Luiz Gabriel Todt de Azevedo	Inter-American Investment Corporation	Development, public or commercial banks
Management Entity (IHA)		
Frank Faraday		
Richard Taylor		

Observers

Name	Organization	Chamber
Bernt Rydgren	Sweco	Accredited Assessor



HYDROPOWER SUSTAINABILITY ASSESSMENT PROTOCOL
GOVERNANCE COMMITTEE MEETING #14
July 6th 2017 – 12h00-14h30 (UTC +1)

Audio Call

AGENDA

Chair: Rikard Liden

No	AGENDA ITEM	PAPER
1	Adoption of Minutes from last meeting	WD1- Minutes of PGC Meeting #13 in Addis Ababa dated 08/05/2017.
2	Progress on Actions since last meeting	WD2- Progress Chart
3	<p>PGC Composition and Chamber Membership</p> <ul style="list-style-type: none"> • Status on fund raising for participants from developing countries • Issue of identification of Alternates and ex-officio members. <p>For Decision/Action</p> <ul style="list-style-type: none"> • Temporary provision to allow fast-track election of alternates to address vacancies. • Proposed amendments to the Protocol Charter to simplify membership. 	<p>Oral Report</p> <p>WD3- Briefing Document</p>
4	<p>Working Programme (2017-19)</p> <ul style="list-style-type: none"> • Required steps for development of Protocol tools and necessary changes in Protocol documents <p>For Decision/Action</p>	<p>WD4 – Analysis of changes to Protocol documents.</p> <p>WD5- Briefing Document and Gantt Chart.</p>

	<ul style="list-style-type: none"> • Suggested changes in Charter to clarify approval of Protocol derivative tools • Priorities (roadmap) for 2017-19 period • Immediate 3 month priorities, including workshop on Protocol derivatives 	
5	Itaipu – Challenge of Assessment Result <ul style="list-style-type: none"> • Status report 	Oral Report
6	Any Other Business	

Minutes

Approved on 01/08/2017 as amended below

0. Opening Remarks and adoption of the agenda

The Chair opened the meeting and noted there were no apologies. In the absence of any additional items or comments, the agenda was adopted unchanged.

1. Adoption of Minutes from PGC #13 circulated on 23/05/2017

The minutes had already been adopted on 06/06/2017 as amended by correspondence. No further comments were received in the meeting.

2. Progress on Actions since Last Meeting

The Chair commented that the Progress Chart will be a running item on the agenda of this and future meetings, to ensure that there is a tracking mechanism for decisions and actions taken in each meeting.

A member asked whether there are any updates on assessments in the pipeline or any assessments ongoing. ME responded with a brief overview on enquiries on Protocol assessments in the pipeline. ME referred to long-standing interest from India for a Protocol assessment in the state of Sikkim, an enquiry from Congress in Gabon as well as two further enquiries from Colombia and Russia. A Protocol assessment is currently ongoing in Costa Rica on the Reventazón river. As regards the Indonesia SECO project, there is a core group being brought together that will meet at the end of August. This work will lead to a guided Protocol self-assessment for one selected project. A translation of the Protocol into Indonesian has been proof-read and is currently being finalised with the support of WWF. The Chair continued to cover some of the projects financed by the World Bank including the work in the Zambezi basin and in Vietnam where a Vietnamese translation of the Protocol is almost ready.

A member added that there should be some regular activity report to the PGC so as not to have to have this covered in meetings. It was suggested that the ME ensures there is an update for the next meeting and then submits a proposal on the form and regularity of a separate update newsletter to the PGC.

Action:

Timeframe: Next PGC Meeting

Action 2.1: ME, to produce a status report for the next PGC meeting with a suggestion on regularity of update reports to the PGC and Council.

3. PGC Composition and Chamber Membership

a) Identification of alternates

The Chair went around the Chambers to see what progress had been made since the last meeting in Addis to identify alternates for Chambers where they were lacking.

A member mentioned that he had been in contact with the advanced country chamber on the subject of this meeting and had received no response. In response the Chair requested the ME to work directly with a member to identify an alternate.

Another member reported on a few developments in the social chamber. She has spoken to a few members which has resulted in one of the Chamber members withdrawing with another two entering. There is also a change in membership for the Nile Basin Discourse. The member will speak to the ME about some of the individuals in the chamber. The member raised a proposal to solve the alternate problem, a chamber member is available to serve as an alternate until at least a more permanent solution can be identified.

Later on in the meeting a member was able to join the call and confirmed that no further progress has been made on identifying an alternate for the emerging economy chamber. The Chair requested the ME to make contact with the member to assist in identifying potential alternates from within his chamber.

Availability of financing for PGC membership

The Chair mentioned that there had been discussions on financing for PGC participation.

A member had a number of concerns around the issue of financing. Indigenous peoples in developed countries also need support to have influence in the development of the Protocol and in some cases NGOs supporting Least Developed Countries may be nominally based in developed countries.

Another member added that it is important that support for Least Developed Countries is targeted and those directly involved in hydropower rather than to representatives from non-governmental organisations. While he agreed that the inclusion of other groups is important, the first priority must be to directly promote the participation of hydropower professionals from Least Developed Countries.

Another member intervened to emphasise that as a development agency, there is no possibility for SECO to provide support for organisations in Switzerland.

To sum up the Chair acknowledged that there are valid concerns among NGOs based in developed countries and concerning the rights of indigenous peoples in developed countries but that there are financial constraints imposed by donors and direct Least Developed Country support has to be prioritised first.

Moving to a decision, the Chair reminded the meeting that the Chamber *Modus Operandi* do not make provision for extra-ordinary elections such as in the case where no alternate is identified following an election.

Decision 3.1:

To allow, as an exceptional case, for a derivation from the Chambers *Modus Operandi* to enable a reduced period of time in which to nominate and hold an election for an alternate position within the Chambers.

Action 3.1

1. At the latest four weeks following the PGC meeting on 06/07/2017, the Chamber Chair - with the support where necessary of the Management Entity - shall identify candidates for the alternate position on his/her chamber.
2. If more than one candidate is confirmed, the Management Entity shall organise an election within that Chamber with a voting period of two weeks from the notice date of that election.
3. If only one candidate is confirmed, the Management Entity shall provide for a period of two weeks' consultation on that candidacy from within that specific Chamber. The Chamber shall be considered to have confirmed the appointment of the alternate if no formal objection is made within that two-week period.
4. If no candidates are confirmed for the position within the four-week timeframe from the PGC meeting on 06/07/2017, the specific question shall be brought before the next meeting of the PGC indicatively scheduled for September.

b) Observer and Ex-Officio members

The Chair introduced this point by saying that we need to balance flexibility of bringing people onto the PGC to fill a particular need while showing due caution to make sure that not anyone can be brought in.

The current Charter does not allow for vote carrying ex-officio members from outside the Council and in the view of the Chair there should be a way of recognising those that make a specific contribution to the work of the Protocol.

A discussion followed in which several PGC members expressed concern about the risk of undermining the chambers by creating a fast track route to the PGC. A member requested clarification as to why this is being done before completing the PGC membership with the requisite alternates. Another member added that this move sidesteps the Chambers and in his view the priority should be boosting participation in the chambers. A member expressed the view that the PGC should have this degree of flexibility but that a decision should be made based on the merits of each individual at the time. A member made clear his opinion that we should be open to the flexibility and contribution of other members.

The Chair concluded by noting a convergence of opinion around a change of charter but that we should proceed with caution in this approach on a case by case basis on the merits of each person put forward.

Decision 3.2:

The PGC agrees to the creation of two additional PGC ex-officio seats for organisations that are making significant contribution to the continued development of the Protocol. These positions can be drawn from both within and outside the Council membership but are limited in time to the period between elections.

Action 3.2

Reflecting Decision 3.2, the Management Entity is given a mandate to draw up a specific amendment to the Charter in order to create these two additional positions. This shall be presented for out of meeting decision within four weeks of the PGC meeting on 06/07/2017.

c) Chamber Involvement

The Chair introduced this point by raising the current long process for applying for chamber membership which currently stands at four weeks for PGC consultation as stated in the charter. The proposal is to reduce that time to two weeks in order to accelerate the process from application to membership.

There was no objection raised and the decision was deemed adopted.

Decision 3.3

The PGC agrees to implement a faster and simplified track to becoming a Chamber member while fully recognising the need of Chamber Chairs to be consulted on admissions to their respective Chambers. The Charter is amended to allow for a period of two weeks' consultation of the PGC as opposed to four weeks currently. The Management Entity is given a mandate to draw up this and other specific amendments to the Charter in order to accelerate the procedure for Chamber membership.

Action 3.3

Amendments shall be presented for out of meeting decision within four weeks of the PGC meeting on 06/07/2017 in the following areas

- Reduce the consultation period of the PGC for prospective members from four to two weeks.
- Queries by PGC members on prospective chamber members to be dealt with within 14 working days of query being made.
- Facilitate transfer between Chambers by Council members to agreement between those Chamber Chairs concerned.

4. Working Programme 2017-19

The Chair introduced the work plan for the two-year 2017-19 period with a focus on completing the derivative tools. There will be an intensive work plan to deliver these tools over the next year. What is extremely important is the approval process for the adoption of

the new tools. ME updated the meeting quickly as to the current procedure for approval of changes and new topics to the Protocol and reminded the meeting that there is no procedure for the adoption of derivative products. The Chair explained that the purpose of the meeting was to give a mandate to the ME to put forward a Charter amendment to ensure that Council members are consulted as a matter of course in any introduction of new topics or any derivative tools.

A discussion followed on the role of the Council in overseeing the decision making function of the PGC with an in-depth discussion around the role of the Council in endorsing decisions taken in the PGC and the ability of the Council to nullify PGC decisions.

A member suggested a specific process of due diligence around the introduction of new topics. The Chair put forward his personal view that there should be specific language in the Charter amendment that ensures that such due diligence takes place and emphasised the involvement of the Council in such processes as was proposed. A brief discussion followed about the role of the Council in decision-making with a member expressing the view that the Council might feasibly be given the role of endorsing each decision taken by the PGC. ME added a clarification, saying that the Council is not a decision making body but should be fully consulted before the PGC comes to its decision. A member reminded the meeting that the threshold for decision making in the PGC is already quite high by virtue of the PGC's *modus operandi* and that, in his opinion, it is not necessary to add additional levels of safeguard by requiring formal approval by the Council. In addition, PGC members represent and are answerable to their peers in the chambers when they speak in PGC meetings and are not there in a personal capacity.

The Chair concluded the discussion by suggesting that the ME put forward any proposal in such language as to ensure a process of caution and due diligence is embedded into any procedure for introducing new topics to the Protocol.

Decision 4.1

The PGC decides that it is its responsibility to formally approve derivatives of the Protocol with suitable consultation with the Chambers. The Management Entity is given a mandate to draw up an amendment to the Charter (section 3.3.1) in order to clarify this and specifically make provision for consultation of the Chambers.

Approval of changes in the Protocol, such as inclusion of a new topic on Climate Resilience and Carbon footprint, shall also remain the responsibility of the PGC as is stated in the present version of the Charter but a new clause will be added to provide for suitable consultation of Council members for any modification of the Protocol that takes into account, inter alia, the need for caution and due diligence in the adoption of new topics to the Protocol.

Action 4.1

The proposed Charter amendment shall be presented within four weeks of the PGC meeting on 06/07/2017 for decision on PGC meeting in September 2017, to allow the Chairs to consult the members.

4b) PGC Working Group

The Chair introduced the plan for a specific Working Group to handle the high volume of work to prepare the new streamlined tool, international industry good practice guidelines and the introduction of a new topic to the Protocol. There followed a brief discussion around the development of the tools and the timeframe for their respective development. ME added that one guideline topic has already been developed and others will be developed in line with the requirements of the PGC. Responding to a question by Professor Shi, the Chair gave some detail around the planned workshop for September which is planned to present progress in developing the Protocol derivative tools. The workshop will bring together PGC members, wider Council members as well as accredited assessors. Responding to a question by a member, the Chair explained that the business plan that is referred to in the timeframe refers to the business model to maintain the relevance of the Protocol and goes hand in hand with the development of the derivative tools.

Decision 4.3

The PGC agrees to creating a Working Group containing four members. The role of the working group will be to provide short notice support to the ME as the derivative tools are developed and to play a leading role in the preparation for the September workshop.

4c) The working programme

Referring to the Gantt chart in WD5, the Chair suggested that the Working Programme for 2017-19 as set out in the Gantt chart be adopted. The proposal was seconded by a member. Noting no objection, the Chair deemed the Working Programme approved as proposed:

Decision 4.4

The PGC agrees on the roadmap as the guiding document for the work to be prioritized 2017-2019. In order to ensure that the roadmap continues to reflect current developments, it will be continuously updated and the following three months' activities and presented at every new PGC meeting for endorsement.

September Workshop

A discussion followed about the date for the PGC Workshop in September. After discussion, the date of September 19th emerged as a consensus date immediately before the IHA Board subject to confirmation of exact timing from the ME. The Chair raised the suggestion that the main part of the day should be given over to the workshop with a shorter meeting following in the evening. The ME was requested to double check dates and to send confirmation under separate cover.

Action 4.2: The ME to check the suggested date of 19th September with early evening PGC meeting and confirm those dates after the meeting. The ME is also to look into the possibility of arranging informal sessions on the 20th in addition.

5. Itaipu- Challenge of Assessment Result

ME briefly explained the current situation with regards to Itaipu. The work undertaken in the original assessment was challenged by Itaipu Binacional with disagreement of the result of two topics. An independent lead assessor has been appointed to undertake the review of the assessment.

This matter will come back to the PGC for approval once a report and recommendations have been drafted by the lead assessor.

Following on from this point, The Chair mentioned the need that predates the Itaipu case to develop specific grievance mechanism for inclusion in Terms and Conditions. He went on to request that a draft should be presented to a future meeting once the Itaipu report has been delivered to the PGC.

6. Any Other Business

A member mentioned a number of training workshops in China organised on environmental and social management through which the Protocol has been introduced. The member also referred to a further training workshop organised in China by Hohai University for Indian hydropower professionals. The member went on to suggest further cooperation with IHA in the organisation of such training events.

Another member mentioned that the member was looking to resume the discussion with IHA on the future of the Protocol. The Chair responded that the creation of a sustainable business model for the Protocol is of paramount importance but that, in order to be in a position to discuss the long term sustainability of the business model, the priority in the next six months must be the completion of the new derivative tools and refinement of the Protocol.

Another member mentioned that similar discussions have taken place within WWF on the future of the Protocol. He also mentioned that a small university in southern Germany (Hochschule Konstanz University of Applied Sciences) has introduced the Protocol as part of its curriculum.

7. Time and Date of next meeting

The next PGC meeting will be held on 19th September 2017 in London during the Protocol Derivative Workshop.