

**HYDROPOWER SUSTAINABILITY ASSESSMENT PROTOCOL  
GOVERNANCE COMMITTEE MEETING #20  
17 September 2018  
UNESCO, Paris**

**In attendance**

Name	Organisation	Chamber
<b>Chamber Chairs</b>		
Mr Roger Gill (Chair)	Hydro Focus	Hydropower suppliers and consultants
Mr Ken Adams	President, IHA	Hydropower operators and developers.
Mr Daniel Menebhi*	SECO	Advanced economy country governments
Ms Lesha Witmer	Women for Water Partnership	Social impacts, project affected communities
Dr Jian hua Meng	WWF	Environment and conservation organisations
Dr Luiz Gabriel Azevedo	IDB Invest	Development, public and commercial banks.
Prof Shi Guoqing	University of Hohai	Emerging economy countries
<b>Alternates</b>		
Mr Geir Yngve Hermansen	Norad	Advanced economy countries
Dr Jürgen Schuol	VOITH Hydro	Hydropower suppliers and consultants chamber
Mr Jamie Skinner	IIED	Social impacts, project affected communities
Mr Pravin Karki/Mr Pierre Lorillou	World Bank	Development, public and commercial banks
<b>Management Entity</b>		
Mr Richard Taylor		
Ms Kate Steel		
Mr Frank Faraday		
Mr Joao Costa		
Mr Will Henley		
Ms Kay Rhodes		
<i>*Participating by telephone</i>		

**Apologies**

Name	Organization	Chamber
Mr James Dalton	IUCN	Environment and conservation organizations
Mr Dan Marlone	Ugandan Hydropower Association	Hydropower operators and developers

## AGENDA

### Meeting chaired by Roger Gill, PGC Chair (acting)

No	Approx. Time	AGENDA ITEM	PAPER
1	09.30-09.35	Introductions	PGC 20.1: Minutes from meeting on 28/06/2018 (approved)
2	09.35-09.40	Adoption of Agenda	PGC 20.2: Draft agenda r1
3	09.40-10.10	Update on PGC Member Activity	Verbal Report
4	10.10-10.30	<b>Update on ME activity</b> <ul style="list-style-type: none"> <li>• Preparation for Accreditation Training Course</li> <li>• Future Training Courses</li> <li>• Team Changes</li> </ul>	20.4 Brief Summary Questions and Answers from PGC members
5	10.45-12.30	<b>Workshop: Discussion on Future Direction of Protocol</b> <ul style="list-style-type: none"> <li>• Strategic Direction of Protocol</li> <li>• Initial Views of PGC Members</li> <li>• Discussion will be encapsulated into an options analysis- preparation for next PGC mandate</li> </ul>	PGC 20.5 Brief Summary Presentation: Discussion Document
6	13.30-14.20	<b>Hydropower Sustainability Assessment Tools- Revised Governance Framework</b> <ul style="list-style-type: none"> <li>• Brief Presentation from ME</li> <li>• Questions and Answers</li> </ul> <b>For Decision</b>	PGC 20.6 Supporting documents already forwarded Summary Presentation to be included
7	14.20-15.05	<b>Communications Strategy</b> <ul style="list-style-type: none"> <li>• Presentation of Strategy</li> <li>• Questions and Answers</li> <li>• Discussion</li> <li>• Next steps</li> </ul>	PGC 20.7 Draft Communications Strategy Introduced by IHA.
8	15.05-15.20	<b>Follow-up from Itaipu</b> Discussion on possible establishment of Working Group to deal with legacy issues in Protocol	PGC 20.8 Summary Document Topic introduced by IHA.
9	15.20-15.35	<b>Update on progress with Good International Industry Practice (GIIP) Guidelines</b> <ul style="list-style-type: none"> <li>• Next steps</li> <li>• Launch</li> </ul>	PGC 20.9 Summary Document IHA
10	15.35-15.45	Any Other Business	
11	15.45-15.50	Time and Date of Next Meeting	
12	15.50-16.00	Review of Actions and Decisions taken in the meeting	

## Draft minutes

*These minutes are presented in the order in which items were dealt with in the meeting, not in the order of the agenda.*

### 1. Opening remarks

The meeting was opened and established as quorate.

### 2. Adoption of agenda

The agenda was adopted unchanged.

### 3. Update on PGC member activities

The committee chair asked each member of the PGC to update the meeting on their activities since the last meeting and each participant gave an overview.

It was mentioned that IDB Finance had recently signed a MoU with IHA to strengthen cooperation. The scope of this cooperation would extend to promoting the Protocol. An appeal was made to encourage the business areas of banks to become more involved in the Council chambers.

The participants were informed that WWF was to conduct a review of the Protocol's impact as compared to the original aims and expectations and the influence the Protocol had had in determining the outcome of hydropower projects. As part of the review, the consultant would seek to interview all chamber chairs over the next three months. The following discussion led to a recommendation that the review also include companies that have used the Protocol but not involved in its development. The Chair recommended that the ME provide the names of useful contacts for the consultant to interview.

**Action 20.1: Names of contacts who have used the Protocol to be provided to the WWF consultant conducting WWF's review of the impact of the Protocol by 7 November 2018.**

It was reported that Hohai University was supporting the Mekong Region Network, managed by the IFC, including six countries in the region. The chair of the emerging economies chamber requested assistance from the ME in communicating with the other members of the chamber.

**Action 20.2: The ME to assist with inter-chamber communications when needed.**

One of the chamber representatives queried the alignment of the World Bank's new Environmental and Social Framework with the Protocol and asked whether an analysis had been done by the ME to compare both texts. It was reported that an informal analysis of the existing IFI safeguards and standards had been done to ensure the alignment of the sections within the ESG tool. It was agreed that that this analysis would be shared with the PGC. There was also a request for the ME circulate the review of the Protocol carried out by ERM in 2016.

**Action 20.3: The ME to circulate the informal analysis of the Protocol with IFI safeguards and standards previously carried out, by 7 November 2018.**

**Action 20.4: The ME to re-circulate the ERM review carried out in 2016 by 7 November 2018.**

### 4. Update on ME activity

The climate change topic and ESG tool were launched in July and the Good International Industry Practice (GIIP) Guidelines were currently nearing the end of the approval process through the PGC. As far as donor funded projects were concerned, activities under both

the SECO and Norad funding agreements were now nearing completion and proposals are currently being drawn up for new activities in support of capacity building in target countries. The first assessor training since 2014 would be held the following week in London. The training would include both the new Hydropower Sustainability Assessment Tools.

There was an update on the climate resilience guidelines being developed and tested with the support of the World Bank and the Bank for European Reconstruction and Development. Sites to road-test the guidelines had been investigated. This is the first time that the services offered by a project for adapting to the impacts of climate change have been measured. IHA would be organising training on the G-Res tool in London during the first week of October and again before the end of the year in Montreal.

Thanks were given to the donors for their support to the activities carried out by IHA in support of raising good practice for sustainability. This was seconded by the Chair.

Regarding the uptake of the tool, the committee was informed that because the tool was quick, easy and free to use, it already enjoyed a significant following and was recognised as being a useful tool for organisations wishing to collect reliable data on the carbon emissions of current or planned reservoirs.

A discussion also took place on the availability of the Protocol in other languages. While the 2010 version of the Protocol had already been translated into a series of languages including Portuguese, French and Spanish, the new climate change topic had yet to be translated into another language. A brief discussion followed regarding the process for adopting translated versions of the Protocol. It was clarified that the ME relied on the contacts of the PGC members to check the quality of translations.

Staff changes and allocation of responsibilities within the ME were discussed.

**Decision 20.1: Translations of the sustainability tools to be made available for public comment for a period of three months prior to becoming official once any feedback has been taken in to consideration.**

## 5. Strategic discussion of the future of the Protocol

There followed a discussion on the suggested short term priorities as well as longer term development of the Protocol. Four future development scenarios were presented:

- Scenario 1: Business as Usual
- Scenario 2: Higher Engagement
- Scenario 3: Modular Protocol / Different types of accreditation
- Scenario 4: Guidelines as normative text

The objective of the discussion was not to choose a specific scenario but to identify components of each scenario that should be prioritised.

The Chair noted in the discussion that many participants seemed to emphasise that the main goal is to develop good practice and improve performance in the sector, which lent itself to placing the Guidelines front and centre of any strategy with the sustainability assessment tools coming in support of the good practice definitions. Summing up the discussion, the Chair noted that elements of scenario 2 and 4 seemed to be favoured in the discussion. This meant a pro-active approach by the PGC and ME where the guidelines are used as the main point of leverage for the assessment tools.

Important next steps agreed were:

- Focus on implementing the suite of sustainability products.

- To complete the Climate Change GIIP Guideline to accompany the 25 other guidelines to complete the series.
- To produce a summary of the GIIP Guidelines for senior decision-makers.
- To develop training material and case studies around each of the topics developed in Guidelines.
- Encourage continued understanding from World Bank on continued endorsement of Protocol as its Environmental and Social Framework is implemented.
- Target decision-makers both in the public and private sector.
- Continue to highlight in messaging that the use of hydropower sustainability tools could help to reduce risk in the preparation of projects.
- Develop material for short courses on the Protocol and ESG tool for decision makers.
- GIIP Guidelines should lead the introduction and engagement with the hydropower sustainability assessment tools.
- General promotion of good practice will increase interest in both informal and formal applications.

**Action 20.5: The ME to circulate its communications material regarding the suite of sustainability products by the end of November 2018.**

## **6. Hydropower sustainability assessment products: revised governance framework**

There was an overview of the proposed new Terms and Conditions and the Licence Agreement. These documents had been circulated in batches over the summer and had been accompanied by explanatory presentations. While essentially carrying forward the same approach as with the previous licence agreement, a number of changes were presented in the documents to cater for the arrival of the new derivatives to accompany the Protocol. The changes can be summarized as follows:

- The PGC to take on an oversight function, and set the rules. The ME to ensure that the rules, once adopted by the PGC are upheld.
- Provisional accreditation will be applicable after successfully completing the training course and carries with it specific conditions. Provisional assessors will sign a provisional licence agreement and whereas no licence fee is charged at this stage, royalties are due on commercial services provided.
- Accreditation for either the Protocol or the ESG tool is awarded following two positive appraisals from a fully Accredited Assessor with whom the Provisional Assessor has worked with on either tool.
- The accreditation will be applicable for the specific tool which has been used (either the Protocol or the ESG Tool).
- As a temporary measure, for a period of one year, the PGC will allow accreditation to be awarded for the specific tool after one positive appraisal following either an ESG Tool or Protocol assessment.
- When an assessor has moved from being provisional to full for each tool, the licence fee will become payable when they are contracted to do their first assessment, prior to them carrying out the work. This would be renewable on the anniversary of this date.

A motion was put forward on the principle of the PGC setting the rules for accreditation and the ME being mandated to ensure those rules were upheld and. This would move away from the system where the PGC made decisions on the accreditation of individuals. This was agreed to unanimously.

**Decision 20.2: The PGC delegated to the ME the responsibility to ensure that the relevant rules are followed in the accreditation process and with it the responsibility to make decisions on the accreditation of individuals in line with the rules adopted by the PGC.**

**Decision 20.3: The PGC adopted the temporary accreditation regime for a period of one year whereby a provisional assessor can gain full accreditation on receipt of one positive appraisal from an existing accredited assessor.**

In the following discussion the issue of quality control was noted and the experience of some of the assessors. The meeting participants voiced concern that accrediting people with only four years of professional experience was too little and the requirement should be for more experience.

**Decision 20.4: Eligibility to train as an accredited assessor will require at least six years of relevant professional experience and should be communicated in the call for future candidates.**

The discussion on quality control continued. To monitor the performance of new assessors, their first three ESG Tool assessments would be peer reviewed to ensure a common approach to the assessment. It was noted that there was already a recourse to withdraw the licence of an assessor in the case of a serious dereliction of responsibility in carrying out an assessment. This prompted a reminder that a grievance and appeals mechanism was still outstanding and should be delivered as a priority. It was requested that the ME develop a system to control the quality of assessments and present a review to the PGC after a period of one year. This review should point to any changes that should be made to the governance rules based on experience in assessments over that year.

**Action 20.6: The ME to provide a draft grievance mechanism the end of 2018.**

**Action 20.7: The ME to monitor the quality of assessments and report back by September 2019.**

With regard to the Accredited Assessor licence fees, the PGC discussed the arrangement for separate fees to hold licences for the ESG tool, the Protocol, or both. There was concern with the idea that there should be different licence fees for existing and new assessors, especially that a lower fee for existing assessors would not incentivise the accreditation of new assessors. ME agreed, and proposed a transitional period which would allow existing assessors to provide work in-lieu of payment, for part of the increased licence fee. It was suggested that assessors in least developed countries should benefit from a 50% reduction in the licence fees. At the end of the discussion it was agreed that all assessors should pay the same fee from March 2019.

**Decision 20.5: The PGC decided to set a new licence fee structure to apply for all new Licences and licence renewals from 1 October 2018, with a discount applied if both licences were purchased:**

- ESG tool licence: GBP 1,000
- Protocol licence: GBP 1,000
- ESG tool and Protocol licence: GBP 1,800
- A 50% reduction to be applied for assessors from and based in UN recognised Least Developed Countries.
- For a period of two years, existing accredited assessors may pay 50% of their licence fees through in-kind work agreed with the ME.

**Decision 20.6: The PGC to review the licence fees in September each year to allow for notice of any fee increase due on the following renewal date.**

The discussion turned to the question of the royalty payment and whether the 10% royalty model was the best way. The ME was asked to provide a review of the royalty system in 2019 with possible alternative options presented to the PGC.

**Action 20.8: The ME to review royalty arrangement and report back to the PGC in September 2019.**

The proposed Licence Agreements for provisional and fully accredited assessors, and the terms and conditions of the use of the tools was discussed. The general consensus from the committee was that both documents needed more work. The Chair requested a mandate from the PGC to receive a revised copy of the Terms and Conditions and Licence Agreements from the ME and to review those documents personally. Once satisfied that these documents were ready, he would request the ME to circulate them for information. This proposal was approved unanimously.

**Action 20.9: The ME to finalise the assessor Licence Agreements and the Terms and Conditions and submit to the committee chair for review by the end of November.**

**Decision 20.7: The PGC delegated review and approval of Terms and Conditions and Licence Agreement to the committee chair.**

**Action 20.10: In line with Decision 20.7, the ME to circulate the Licence Agreements and Terms and Conditions for information once they have been reviewed and approved by the committee chair.**

## **7. Presentation of communications strategy**

IHA's head of communications gave a brief presentation of the communications strategy proposal and fielded questions and comments from the meeting.

The importance of being aware of the target audience and tailoring a message to that particular audience was highlighted. There was a presentation of the online networking platform called 'Hydropower Pro' which was under development for IHA. The ME reported that the Protocol Council and PGC could be included in the scope of this platform which would allow communication between individual chamber members and the PGC as well as across the Council as a whole. Each Council member could have access to the platform.

Some members of the PGC expressed concern about the use of an IHA platform and associating with formulations such as 'pro.hydropower' and 'hydropower pro' which would be challenging to receive in some NGO quarters due to strongly held views about the role of hydropower. A more neutral platform was favoured.

**Action 20.11: The ME to remove reference to 'pro.hydro' in any communication platform used by the chambers, and propose an alternative by end of 2018.**

It was suggested that in future a pro-active approach be adopted to promote the Protocol and derivative tools to different groups. There was concern that the communications strategy would not be launched in time for the official launch of the GIIP guidelines planned for October. The committee agreed that it was important to have a communications strategy in place before launching the GIIP guidelines as the latter are a key part of the development strategy for the other hydropower sustainability tools going forward. The

committee chair concluded it was also the responsibility of each member of the PGC to use their own channels of communications to promote all the sustainability tools.

### **8. Follow-up from Itaipu**

It was confirmed that as decided in PGC #18, held on 6 February 2018, the proposal of 'not assessed' would be allocated to the two operation stage topics of resettlement and indigenous peoples that were in dispute between Itaipu Binacional and the accredited assessor team that led the Protocol assessment. In response to this previous decision (cf. minutes from meeting on 6 February 2018), Itaipu Binacional had stated that it was comfortable with that outcome but had raised questions that as the assessment is a snapshot in time the question of how the project was doing today was not addressed. It was agreed that the actions decided in PGC #18 were due to be progressed the ME now a response had been received from the project sponsor, Itaipu Binacional.

### **9. Update with progress on GIIP guidelines**

The final set of guidelines was currently being circulated among the PGC members for approval. The deadline for comments was 28 September 2018.

### **10. Any other business**

No other business was raised.

### **11. Time and date of next meeting**

The ME was asked to provide a doodle poll for the next meeting, to be timed to coincide with the launch of the CBI's Hydropower Standard which was expected in November.

**Action 20.12:** By the end of October, the ME to survey the PGC regarding potential dates for the next meeting (telecon).

The meeting was closed at 16:00



### Summary of actions and decisions

<b>Action 20.1:</b>	Names of contacts who have used the Protocol to be provided to the WWF consultant conducting WWF's review of the impact of the Protocol by 7 November 2018.
<b>Action 20.2:</b>	The ME to assist with inter-chamber communications when needed.
<b>Action 20.3:</b>	The ME to circulate the informal analysis of the Protocol with IFI safeguards and standards previously carried out, by 7 November 2018.
<b>Action 20.4:</b>	The ME to re-circulate the ERM review carried out in 2016 by 7 November 2018.
<b>Decision 20.1:</b>	Translations of the sustainability tools should be made available for public comment for a period of three months prior to becoming official once any feedback has been taken in to consideration.
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<b>Decision 20.2:</b>	The PGC delegated to the ME the responsibility to ensure that the relevant rules are followed in the accreditation process and with it the responsibility to make decisions on the accreditation of individuals in line with the rules adopted by the PGC.
<b>Decision 20.3:</b>	The PGC adopted the temporary accreditation regime for a period of one year whereby a provisional assessor can gain full accreditation on receipt of one positive appraisal from an existing accredited assessor.
<b>Decision 20.4:</b>	Eligibility to train as an accredited assessor will require at least six years of relevant professional experience and should be communicated in the call for future candidates.
<b>Action 20.6:</b>	The ME to provide a draft grievance mechanism the end of 2018.
<b>Action 20.7:</b>	The ME to monitor the quality of assessments and report back by September 2019.
<b>Decision 20.5:</b>	<p>The PGC decided to set a new licence fee structure to apply for all new Licences and licence renewals from 1 October 2018, with a discount applied if both licences were purchased:</p> <ul style="list-style-type: none"> <li>• ESG tool licence: GBP 1,000</li> <li>• Protocol licence: GBP 1,000</li> <li>• ESG tool and Protocol licence: GBP 1,800</li> <li>• A 50% reduction to be applied for assessors from and based in UN recognised Least Developed Countries.</li> <li>• For a period of two years, existing accredited assessors may pay 50% of their licence fees through in-kind work agreed with the ME.</li> </ul>
<b>Decision 20.6:</b>	The PGC to review the licence fees in September each year to allow for notice of any fee increase due on the following renewal date.
<b>Action 20.8:</b>	The ME was requested to review royalty arrangement and report back to the PGC in September 2019.
<b>Action 20.9:</b>	The ME to finalise the assessor Licence Agreements and the Terms and Conditions and submit to the committee chair for review by the end of November.
<b>Decision 20.7:</b>	The PGC delegated review and approval of Terms and Conditions and Licence Agreement to the Chair.

<b>Action 20.10:</b>	In line with Decision 20.7, the ME to circulate the Licence Agreements and Terms and Conditions for information once they have been reviewed and approved by the Chair.
<b>Action 20.11:</b>	The ME to remove reference to 'pro.hydro' in domain name for communication platform between the chambers, and propose an alternative by end of 2018.
<b>Action 20.12:</b>	By the end of October, the ME to survey the PGC regarding potential dates for the next meeting (telecon).