

**HYDROPOWER SUSTAINABILITY ASSESSMENT COUNCIL**

**PROTOCOL GOVERNANCE COMMITTEE MEETING #4**

**31 AUGUST 2014 @ 09.00(CET)**

**STOCKHOLM & TELECONFERENCE**

**MINUTES / ACTIONS**

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<b>Attendees:</b>	Name			Organisation
	Mr	Roger	Gill	Hydro Focus Pty Ltd (via teleconference)
	<b>Mr</b>	<b>David</b>	<b>Harrison (Chair)</b>	<b>The Nature Conservancy</b>
	Mr	Cameron	Ironside	Management Entity
	Mr	Rikard	Liden	World Bank
	Dr	Jian-hua	Meng	WWF
	Dr	Donal	O'Leary	Transparency International
	Mr	Matthew	Reddy	Carbon Advantage
	Ms	Karin	Seelos	Statkraft
	Mrs	Michelle	Tompson	Management Entity
<b>Observers:</b>	Name			Organisation
	Mr	Martin	Hiller	REEEP
	Mr	Julian	Katchinoff	US State Department
	Mr	Jeff	Opperman	The Nature Conservancy
<b>Apologies:</b>	Name			Organisation
	Mr	Henry	Chan	WWF - Malaysia
	Dr	John	Dore	AusAID
	Prof.	Guoqing	Shi	National Research Center for Resettlement
	Mr	Andrew	Scanlon	

## Agenda:

TIME	AGENDA ITEM	LEAD	PAPER
09.00	1 Welcome: <ul style="list-style-type: none"> <li>- Apologies</li> <li>- approval of agenda</li> <li>- acceptance of minutes</li> <li>- conflicts</li> <li>- observers</li> <li>- current applications for chamber membership</li> </ul>	DH	n/a
09.15	2 Report: World Bank Protocol Paper	RL	Annex 1 ( <i>The Hydropower Sustainability Assessment Protocol for use by World Bank Clients – Lessons Learned and Recommendations</i> )
09.45	3 Action items outstanding <ul style="list-style-type: none"> <li>- ES briefing paper: formation of Scoping Group</li> <li>- License Agreement</li> <li>- Online comms tools</li> </ul>	DH	Annex 2 ( <i>Action items</i> ) Annex 3( <i>SG briefing paper</i> ) Annex 4 ( <i>License Agreement</i> ) Annex 5 ( <i>online comms tool – ME report</i> )
	4 Potential time limits on assessment reports validity 5 Chambers report-back/Status Report	DH	Annex 6 ( <i>Briefing note on issue for discussion</i> ) Presentation
	6 T&C	DH	Annex 7 ( <i>proposed amendments to T&amp;C</i> )
16.15	7 AOB		

## Minutes/ Actions

### 1. Welcome, Apologies, Conflicts and Additions to the Agenda

- The chair opened the meeting, welcomed those participating and noted the apologies received. The chair noted that some of the Committee members had not been active, (eg by way of sending apologies and contributing to meetings and general communications) and proposed that these members be contacted by either the Chair of the Committee or their co-representative in the Chamber.
- The minutes of the previous minutes were accepted and approved.
- A committee member noted a potential conflict as it had been suggested that they Chair the ES Scoping Group (see 3 below). It was agreed that the member would leave the meeting when membership of this group was discussed. No other conflicts of interest were noted.
- Three observers were welcomed to the meeting.

- The applications received from representative of Voith Hydro Holding and a representative of Alstom to the consultant's chamber were noted and accepted by the PGC. ME would formally welcome them to the Council.
- The chair noted a change to the agenda, with the intention that the Early Stage Scoping Group be discussed as the second item on the agenda (reflected in the amended agenda above).
- **Decision (4)1.1:** The applications for membership to the Consultants chamber were noted and accepted.
- **Action (4)1.1:** ME to formally note a welcome to each of the two applicants to their respective Chambers.
- **Action (4)1.2:** Inactive PGC Members to be contacted to determine continued engagement in the PGC.

## 2. World Bank Report – *The Hydropower Sustainability Assessment Protocol for use by World Bank Clients – Lessons Learned and Recommendations*

- A committee member had circulated the report in advance of the meeting, and presented it to the meeting. The member noted that the World Bank objective was to test how the Bank would use the Protocol and how it might recommend the Protocol to its clients. The member advised that the conclusion is a firm recommendation to clients to use the Protocol, in particular within developing countries. The member noted that the report further advises around the importance of suitably calibrated training and support materials for the tool. The PGC noted that this report also formed part of the chamber activity remit *to investigate future use of the Protocol*, and noted its pleasure at the outcome.
- A committee member noted that in developing countries, projects undertaking assessments would likely result in some low scoring, and that it would be important to manage expectations around scores in these instances. Basing his comments on the World Bank funded Assessment and the report, the member noted the importance of this point; and emphasised the need for materials such as the 'management systems' training materials (under development) and the current training tools to support these clients. The member also noted the need for flexibility in use of the Protocol itself, including supported unpublished assessments as learning tools.
- The chair noted that the scoring was designed to be a recommendation for continuous improvement of the project; and that gaps should be seen as opportunity for improvement. Managing expectations is a widespread issue, and it needs to be emphasised and promoted that a 3 score is a good outcome in many situations.
- **Action(4) 2.1:** The PGC noted its appreciation to the World Bank and a committee member for the quality of the report. Chamber chairs will circulate the document to members of their chamber.

## 3. Action Items Outstanding

- ME briefed the PGC on the status of ongoing action items.
- Specific items were raised as follows:
  - **Early Stage Briefing Paper**
    - ME referred the meeting to the briefing paper in the PGC meeting notes (annex 3), and advised that an assessment using the Early Stage had taken place on the Sava River, with some success.
    - ME further noted that since the SECO funding had been approved, work had started on:

- A scoping paper providing a comparative analysis of other tools in the same space is being commissioned.
  - an analysis of hydropower in Ghana with sites being identified to begin assessments using the tool in early 2015.
  - Initial work on terms of reference for the Protocol database.
  - Draft Terms of reference for the ES Scoping Group, included in Annex 3 for consideration under this action item.
- The chair referred the PGC to the draft ToR and noted that the ES Scoping Group would frame and present the options around the ES tool for consideration by an ES Working Group to be formed around the Council meeting at the IHA Congress 2015.
- ME noted that they and the chair had met to discuss a potential timeframe for the work of the SG, as follows:
  - Sept 2014 – initial scoping meeting for the SG (on PGC approval of ToR and membership of the SG)
  - November 2014 – Comparative analysis paper submitted
  - November /December 2014 – in person meeting of the Scoping Group to raise and address issues for early stage work in Ghana
  - Early April 2015 - early stage work starts in Ghana.
  - Mid April 2015 - the Scoping Group would meet and report to the PGC
- At the request of a committee member, ME provided some initial feedback from use of the Early Stage tool following the Sava assessment, noting that the report had not yet been finalised with the client, and that the assessors involved in the Sava assessment would finalise a paper of their early findings from the tool to be submitted to the SG.
- There were suggestions from two committee members that civil society and governments be consulted around the work of the SG, however the chair noted that the intention of the SG was not to consult broadly around the ES tool, but rather to frame issues and future options, which would then be considered by a wider group. The chair noted in this regard that the work of the Scoping Group is limited by time and budgetary constraints and recommended the ToR to commence the work, with more in depth consultation and stakeholder involvement undertaken after receipt of the SG report.
- The PGC discussed and accepted the ToR as proposed in Annex 3.
- The chair presented the thinking around membership of the SG. The chair noted that it should be kept small in light of the considerations around its mandate, and proposed that a committee member of the SG, that the chair would participate as another expert (funded by TNC) and ME participate to enable the ME to be aware of progress in this regard, provide a link to the SECO work and facilitate engagement with the IHA AA.
- **Decision (4)3.1 - The proposed Terms of Reference for the Scoping Group were agreed as presented**
- **Decision (4)3.2 – Membership of the Scoping Group was approved, with a committee member (as Chair), Accredited Assessor and ME.**
- **Action (4)3.1 - ME would amend the ES Scoping Group Terms of Reference to include specific timeframes of deliverables and they would be recirculated.**

- **Update - Action Items Outstanding From Meeting #3:**

- Action (3)1.1 – *A committee member's participation as both AA and PGC member* – The member noted that their accreditation process is underway and that they intended to be accredited by the next Council meeting. The member noted that they would not stand for re-election on the basis that they would be finalising the accreditation process.
- Action (3)2.1 – *Bi-monthly newsletter* - is ongoing and feedback has been positive.

- Action (3)3.2 – *The draft response to CAC reflecting the PGC position should be published on the website.* This action has been completed
- Action (3)3.3 - *Finalisation of the License Agreement* - addressed as a separate item of the agenda
- Action (3)4.1 – *SECO Briefing Paper* - addressed as a separate item of the agenda
- Action (3)5.1 – *Online Collaboration Tool*- addressed as a separate item of the agenda
- Action (3)6.1 – *ME to re-circulate minutes from PGC meeting #1 to allow the issues set out to be addressed by the chamber chairs* - completed
- Action (3)6.2 – *Management Entity Context Paper Re Chamber Work Remit* addressed as a separate item of the agenda

- **Action Items Carried Forward:**

- Action (3)1.2 – *Online comments on published assessments* -ME confirmed that the process for receiving online comments following publication of assessments had been designed and costed, and following SECO funding it will now proceed
- Action (3)2.2 – *Improvements to Protocol communications through IHA comms team* -this is pending meetings with members of the IHA comms team that would be scheduled in the next few months due to pressures internally at IHA
- Action (3)7.1 – *PGC Meeting Dates* - a doodle poll would be circulated after each PGC meeting.

- **License Agreement**

- ME presented the draft final License Agreement to the PGC (annex 4 to the PGC briefing papers) and took the committee through the changes proposed on the back of the last negotiations with the AA. ME requested that the changes be approved and the License Agreement be agreed as the final version.
- The chair suggested that page 23 (annex 4 of the License Agreement) be amended to include a provision that AA could apply in advance for waiver of the performance requirements in situations where this would be appropriate.
- **Decision (4)3.3**– the PGC accepted the changes as per Annex 4 to the PGC briefing paper, as well as the change proposed by the chair, and decided that subject to these changes the License Agreement was agreed as final.
- **Action (4)3.2** - Management Entity would make the final amendments and circulate the final Agreement to all assessors for signature.

- **Online Communications Tools**

- Two committee members presented the papers submitted by the Management Entity and the Communications Working Group.
- **Decision (4)3.4** – the PGC approved the development and implementation of KM Cloud as proposed by the Communications Working Group.
- **Action (4)3.3**– Management Entity would proceed with setup, training and implementation as soon as possible. An updated report would be submitted at the next meeting with a view to launching the tool prior to Beijing.

#### 4. Potential time limits on Assessment Reports validity

- The chair and ME presented the paper (Annex 6 to the PGC briefing papers) for discussion.
- Following extensive discussion, it was agreed that an assessment is a snapshot view of the project, on the particular date of assessment only.
- It was further agreed that the date of the assessment and the stage of the project would in future be captured on the spider diagram and cover page of the assessment report.
- ME proposed that the T&C be amended to reflect this situations and that guidance should be given to the assessors in the assessment manuals.
- This discussion led to further discussion around the spider diagram and the messaging around expectations of scores. It was widely accepted within the PGC that the current format disincentivised use of more poorly performing projects.
- **Decision (4)4.1** – All future assessment reports would include the date and project stage on the front page and spider diagram. This decision would be reflected in the T&C.
- **Decision(4) 4.2** – the Chambers would be asked to provide some input into potential changes to the spider diagram to provide more focus around a 3 score. This would be done in conjunction with the launch of the online communications tool (see Action (4)3.3 above)
- **Action (4)4.1** - Management Entity would amend the T&C to reflect timeframes of validity and circulate to the PGC a draft template spider diagram and cover page of an Assessment Report by the next PGC Meeting.
- **Action (4)4.2**– Following extensive discussion, it was agreed that this would also be a good opportunity to revise the presentation of the spider diagram to reflect the 3 score more positively. Management Entity would invite the Council Chambers to participate in this work as a first test of the online communication tool.

#### 5. Management Entity Status Report /Chambers report-back

- ME presented recent Protocol activities and pipeline activities/strategy including revenue forecasting.
- It was noted that the finalisation of the License Agreement will bring in extra revenue following signing by all 10 assessors. The accredited assessors will then be incentivised to source Protocol related work.
- The chair highlighted the key areas where assistance is needed from the PGC and the council chambers. ME identified the following areas as requiring support from the PGC and chambers:
  - Use of the Protocol:
  - Work in the pipeline, however, need to push continued expansion of Protocol Use, role of PGC members and chambers
  - Incentivising use of the Protocol
    - Utilising networks to drive use
    - United messaging around Protocol use
  - Support for specific projects:
    - Management Systems tool
    - Scope of training and supported training
  - Council and Chambers:
    - A strong and influential PGC, incl China and Africa
    - Increased numbers in chambers
  - Chambers:
    - Spider diagram
    - Specific key items that require rectification in Protocol

- A committee member suggested that it would be useful for the chambers to develop something similar to Key performance Indicators around how they could assist as chambers in this work. The member offered to do this for their chamber to test the model, and share this work with the other PGC members.
- ME further noted that the PGC should be a strong and influential group, and ideally include representation from China, Africa and South America, and where possible active chamber membership should be increased.
- ME further brought to the attention of the PGC use of the Protocol under the UNDP – GEF funded project on biodiversity in Russia. ME advised that published assessments were being undertaken by non-Accredited Assessors, and advised further that an analysis by IHA sustainability specialists demonstrated that these assessments were not of the quality expected of Protocol use and represented a reputational risk to the Protocol.
- **Decision (4)5.1** - The PGC chair would work with the ME and respective chamber chairs to identify and attract more members to the chambers, and encourage participation by influential individuals within each chamber in the PGC systems. This would include identification of potential influencers from Africa, China and South America. In particular, the Management Entity would work with the chair on Chinese and South American representatives, and another member regarding African representatives.
- **Decision (4)5.2**– The PGC noted its concern with the use of the Protocol under the UNDP/GEF project and requested that ME report back on his engagement with the project manager. Two committee members also agreed to provide contact details with individuals within these organisations with whom the concerns could be raised.
- **Action (4)5.1** – A committee member would develop a KPI paper for the *development, public or commercial banks, financial organisations, and private investors/investment funds* Chamber to be shared with the ME and subsequently the other PGC members, as a model for all chambers to use.

## 6. T&C

- ME noted the changes to the T&C set out in Annex 7 to the PGC briefing papers, and took the committee through the proposed changes. ME noted that the T&C had now been through numerous rounds of changes, and was an unwieldy document. ME suggested that it would be useful to have an independent legal advisor work through the document for clarity and refinement
- The chair noted that under clause 11 and 12 there was some difficulty with use of the phrase ‘Indemnification’ as it meant different things in different parts of the world. It was agreed that this phrase would be substituted with ‘Limits of liability’
- **Decision (4)6.1** – subject to the revision of paragraph 11 & 12 the T&C amendments were approved. The document would be dated with a current date
- **Action (4)6.1** Management Entity would amend paragraphs 11&12. The date of the document would be amended to 1<sup>st</sup> September 2014.

## 7. AOB

- A committee member noted that WWF proposed engaging a standards’ consultant to set out the case for and against the Protocol being a standard, and requested PGC endorsement of this action.

- Following some discussion, the member noted that the intention was not to push the Protocol in this direction, but rather to frame the options and implications either way. The member suggested that he share draft ToR for this work with the PGC for comment prior to engaging the consultant.
- **Decision (4)7.1** - Noting that the paper was intended to consider the options around whether or not the Protocol could or should be a standard, the PGC endorsed this work and thanked a committee member and WWF for funding it and taking the initiative in this regard.
- **Action (4)7.1**– A committee member to circulate draft ToR for the work for PGC comment and input.

### **Date of Next Meeting:**

**Meeting #: 5 – TBC**

- **Action (4)7.2** -Management Entity would circulate a doodle poll with various date options for the next in-person and teleconference meetings. Suggestions were November 2014 in Chicago (to coincide with TNC meetings) or late January/February 2015 in London (to coincide with IHA Board Meetings). A WebEx meeting in April 2015 was also suggested.