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## IHA Releases Policy Statement on Hydropower and the Clean Development Mechanism (CDM)

23 March, 2010 – London, UK

*On behalf of the world's hydropower sector, the International Hydropower Association (IHA) calls upon governments to elevate the future of the CDM, post-2012, on their agendas for Mexico (2010) and South Africa (2011). The Policy Statement also calls for future CDM reform to address the current disincentives to hydropower reservoir projects, which result in missed opportunities for increased climate change mitigation and adaptation.*

The International Hydropower Association (IHA) has issued a Policy Statement that explains the workings of the CDM and looks in detail at the current and future role of hydropower projects within it. The key messages of the Policy Statement are as follows:

1. The CDM remains the main international mechanism currently in place to directly mobilise private sector capital for clean development worldwide;
2. The CDM also remains an important way for Developing Countries to avoid or mitigate greenhouse gases through an international mechanism;
3. Hydropower is the CDM's leading deployed renewable energy: this is likely to continue. In addition, the sustainability of hydropower has been defined and measuring tools exist to indicate performance – this brings greater confidence to all parties involved;
4. There are disincentives to hydropower reservoir projects in current CDM rules, which mean significant missed opportunities for increased climate change mitigation and adaptation – these should be addressed in future CDM reform;
5. The world's hydropower sector calls upon governments to elevate the future of the CDM post-2012 on their agendas for Mexico (2010) and South Africa (2011), and strongly supports the current CDM reform being implemented by the CDM Executive Board, as a step in the right direction.

In its review of hydropower's role in the CDM, the Policy Statement highlights the importance of hydropower CDM projects in reducing CO<sub>2</sub> emissions. The 541 CDM registered hydropower projects<sup>1</sup> equate to the largest proportion of CDM projects (by type), with 27% of the total, which is expected to generate more than 47 million tonnes of CO<sub>2</sub> emission reductions per year until 2012.<sup>2</sup>

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<sup>1</sup> As at the end of December 2009.

<sup>2</sup> 2010 is the end of the first commitment period of the Kyoto Protocol.

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Commenting on hydropower's role in the CDM, Richard Taylor, IHA Executive Director, said: "Hydropower is the CDM's leading deployed renewable energy and IHA believes that this is likely to continue; meanwhile, hydro's operational flexibility also allows for the greater use of other renewable technologies". Taylor added: "Hydropower's prominent position is due to the advanced state of the technology and the ability of hydropower projects to off-set higher amounts of CO<sub>2</sub> per unit cost".

The Policy Statement also draws attention to the high and continuously improving level of sustainability of hydropower projects registered within the CDM, many of which also voluntarily impose upon themselves international sustainability assessment frameworks, such as the IHA Sustainability Assessment Protocol (2006).

IHA acknowledges that the CDM remains the main global, environmental investment and credit scheme currently in place to directly mobilise private sector capital for clean development worldwide; but it is concerned that with no legally binding international treaty arising from Copenhagen (2009), the long-term future of the CDM is uncertain. This is why IHA, on behalf of the world's hydropower sector, is calling upon governments to raise the importance of the CDM in their agendas.

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## About IHA

The International Hydropower Association (IHA) was founded as a not-for-profit organization in 1995 under the auspices of UNESCO. Today, it has members active in more than 80 countries. Its mission is to advance hydropower's role in meeting the world's water and energy needs by: championing continuous improvement and sustainable practices; building consensus through strong partnerships with other stakeholders; and, driving initiatives to increase the contribution of renewables.

IHA is a founding partner of the International Renewable Energy Alliance, and is honoured to work alongside the world's leading associations for bio, geothermal, solar and wind energies. IHA's Central Office is in London, UK.

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